



**AGREEMENT BETWEEN
PHARMACEUTICALS AND MEDICAL DEVICES BUREAU OF INDIA
(PMBI)
(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)

AGREEMENT

THIS AGREEMENT is made and entered into on this ___ day of _____ (month), 20___ between Pharmaceuticals and Medical Devices Bureau of India (PMBI), 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: **B-500, Tower B, 5th Floor, World Trade Center, Nauroji Nagar, New Delhi – 110029**, hereinafter referred to as “**PMBI**” (which expression shall mean and include its successors and assigns) of the ONE PART;

AND

The Applicant, M/s _____ Society/ 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, 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) PMBI 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 sound financial status as required to open and operate the **Pradhan Mantri Bhartiya Janaushadhi Kendra** and in that purposes, the applicant is also ready to perform all activities including purchase of medicines against the advance payment for dispatch of goods and stock under ambient temperature as required for storage of medicines, make retail sale, after generating sale invoice at prices fixed by PMBI 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 of **MEDICINES** to run the **Pradhan Mantri Bhartiya Janaushadhi Kendra** on sustainable basis and has requested PMBI to allocate him/ them **Pradhan Mantri Bhartiya Janaushadhi Kendra** at the aforementioned address as specified in clause (a) of this agreement.

c) PMBI after considering the aforesaid request of the Applicant, has agreed to allow the Applicant to establish 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) PMBI 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, PMBI and the Applicant agree to be bound by the terms of this Agreement.

1. SHOP SITE SELECTION & DESIGN:

The Applicant will adhere to PMBI's procedures and requirements for site selection and design of the Shop, as stated hereunder:

1.1. The site location for opening of PMBJP 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 opening of **Pradhan Mantri Bhartiya Janaushadhi Kendra** should either be owned or taken on lease in the name of the Applicant. In case of lease, the same should remain effective and under the possession of the Applicant for at least 3 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. Requirements for opening PMBJK

a. The applicant is agreed to own space or hire space (Minimum 120 Sq. Ft.) duly supported by proper lease agreement or space allotment letter. The Applicant will arrange the space for running the Pradhan Mantri Bhartiya Janaushadhi Kendra &

PMBI will have no role for arranging space.

- b. The applicant is agreed to provide Proof of securing a pharmacist with name, Registration with the State Council, etc.
- c. The applicant has agreed to submit suitable certificate/ proof from respective authorities along with undertaking in case, the applicant has applied under the category of Woman entrepreneurs, Ex-Servicemen, Divyang, SC, ST & any entrepreneurs of aspirational districts (backward district) as notified by the Niti Aayog, in Himalayan, Island territories and North-Eastern States. In the application form, the Applicant must mention the category for getting the suitable benefit. The applicant is agreed that once the category is selected by the applicant in the application form, later on applicant will not be able to change it in future due to any reason.
- d. The applicant is agreed to adhere with the following distance policy and in case, the Applicant found in violation of distance policy, the approval of opening PMBJK can be cancelled at any stage:
 - i. Distance of minimum 01.00 KM to be maintained between two Kendras while approving new Kendra in all Districts throughout the country.
 - ii. No distance policy restrictions shall be observed in surrounding area up to 500 meters from District Government Hospitals and Private Hospitals having 100 and more beds or Hospitals attached or associated with Medical Colleges.

However, location and number of Kendras shall be determined by the PMBI after examining the scope of viability of locations after market survey.

(As amended by the Governing Council, PMBI in its 45th meeting held on 16.11.2023).

- e. The applicant has agreed to provide one cancelled Cheque issued from the Indian Nationalized Banks to the PMBI.
 - f. The applicant has also agreed to provide three Cheques issued from the Indian Nationalized Banks in favor of PMBI (Pharmaceuticals & Medical Devices Bureau of India). The said cheques will be used by PMBI for the payments for the supply of goods to the applicant.
- 1.5.** 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.
- 1.6.** 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.

- 1.7. In 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.
- 1.8. The Applicant shall not commence (or recommence) operations of the Pradhan Mantri Bhartiya Janaushadhi Kendra until and unless PMBI approves the same for being reasonably conforming to the planned specifications.
- 1.9. This agreement does not grant the applicant any right to relocate the Pradhan Mantri Bhartiya Janaushadhi Kendra without any permission in writing from PMBI.
- 1.10. 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:

1.11. 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 PMBI (including, but not limited to, the requirement that such individual possess sufficient experience in the management of a retail pharmacy business, as determined by PMBI in its sole discretion.

1.12. 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.

1.13. 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 PMBI. 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 PMBI, as the employer.

1.14. OPERATIONS AND PRODUCT STANDARDS

Unless PMBI 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 PMBI.
- ii. The Applicant is permitted to sell from the Pradhan Mantri Bhartiya Janaushadhi Kendra only the Medicines which are supplied by PMBI.
- iii. The Applicant will be allowed to sell allied medical products commonly sold in chemist shops but are not supplied by PMBI.
- iv. The Applicant will maintain an inventory of all listed medicines of PMBI to satisfy customer demand for any or all medicines required to be sold at the Jan Aushadhi Kendra, all the time. The Applicant will adhere to the requirements for medicines & drug storage, its handling as per the provisions applicable under the Drugs and Cosmetics Act, 1940, as amended upto date 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 clause, then, without limiting the rights of PMBI under this Agreement PMBI 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 PMBI and shall be binding on the applicant.

1.15. SOURCES OF SUPPLY:

In order to safeguard the integrity of PMBI, 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 form Central Warehouse/ Regional Warehouse/ Authorized distributors of PMBI.

1.16. GENERIC MEDICINES:

The Applicant acknowledges that the generic medicines used in, offered and sold from the **Pradhan Mantri Bhartiya Janaushadhi Kendra**, as authorized by PMBI 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 PMBI, 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

PMBI, or the supplier designated by PMBI, at prices, determined by PMBI only.

1.17. SUPPLY OF MEDICINES:

The supply of medicines will be made against the advance payment for dispatch of goods.

- 1.18.** PMBI will not accept any return/ exchange of products which are supplied against confirmed orders except in case of delivery of stock supplied Damage/ Expired/ NSQ/ without confirmed orders.

1.19. 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 PMBI and in the manner and format required and approved in advance by PMBI.

1.20. MANDATORY PARTICIPATION IN MARKETING PROGRAMS:

The Applicant acknowledges that the Applicant's participation in promotions and marketing programs established by PMBI is important to enhance the value, recognition, and reputation of the PMBJP Kendra campaign and agrees that the Applicant shall participate in those promotions and marketing programs established from time to time by PMBI that are appropriate to the Pradhan Mantri Bhartiya Janaushadhi Kendra, as determined by PMBI.

1.21. 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, etc.) 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 PMBJK and its premises in strict compliance with all the applicable provisions of Drugs and Cosmetics Act, along with health, sanitation, fire and safety codes and requirements. If any law affecting the Applicant's operation of the PMBJK 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 PMBJK to be in conflict with any of the regulations, then the Applicant shall notify PMBI in writing, identifying the specific law, so that PMBI may determine the nature of conflict and take requisite steps to resolve the perceived conflict.

1.22. REMEDYING DAMAGED AND CONTAMINATION:

If any medicine dispensed at the PMBJK 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 Kendra. This remedy is in addition to, and not in lieu of, other rights or remedies that PMBI has for the Applicant's breach of this Agreement.

1.23. SHOP INSPECTIONS:

In order to safeguard and determine compliance with the Kendra standards PMBI representatives shall have the absolute right to enter, remain in, and inspect the shop whenever PMBI deems it appropriate. PMBI 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. PMBI shall have the right to use all interviews, photographs, video, and other recordings for any reason PMBI 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 PMBI & its advertising agencies.

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

1.24. CORRECTING DEFICIENCIES:

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

Is a reoccurrence of a previously identified violation of the defined standards, occurring at the **PMBJK** 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 PMBI; In such a case, PMBI may ask the Applicant to reimburse PMBI 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/- (Rupees Five Hundred Only) per hour of the PMBI 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 PMBI has for the Applicant's breach of this Agreement.

1.25. REPAIR AND RENOVATION:

The Applicant shall repair, rehabilitate, refurbish, modernize, renovate and upgrade the **PMBJK** 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 PMBI if any efforts are to be taken under this provision.

1.26. SALES AND PRODUCT MIX REPORTING REQUIREMENTS:

The Applicant shall mandatorily provide PMBI with any and all requested information related to the Applicant's sales, costs, earnings and related items. The Applicant acknowledges that PMBI 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.

1.27. PROJECTING REQUIREMENTS OF MEDICINES:

At the request of PMBI 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 PMBI so that its designated supplier may project quantities to be manufactured.

1.28. HOURS OF OPERATION:

The Applicant shall keep the PMBJK 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 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 midnight. PMBJP Kendra located in big hospitals and medical colleges shall remain open round the clock.

1.29. 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 PMBI, 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 equipments, all of which must be approved by PMBI, prior to start of operation or otherwise in writing. The software for computerized operation for POS will be uploaded free of cost by PMBI. 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.

1.30. 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 PMBI prescribes from time to time either through automated software or manually.

1.31. PMBI's ACCESS TO POS INFORMATION:

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

1.32. 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 PMBI's direction shall permit the designated person from PMBI to make, any programming changes required from time to time by PMBI.

1.33. PMBI's OWNERSHIP AND USE OF POS INFORMATION:

The Applicant agrees that all POS information provided to PMBI, whether electronically retrieved otherwise received, will become PMBI's property and the same may be used by PMBI in any manner PMBI considers appropriate.

1.34. ACCESS TO EMAIL & INTERNET; CONSENT TO COMMUNICATION MEDIUM:

2.24.1. 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 PMBI 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 PMBJK with internet access and a reasonably current web browser, and:

2.24.2. Maintain an email address to which PMBI may send electronic communications; keep PMBI apprised of the Applicant's current email address; regularly check at a frequency which may be every day, for email communications from PMBI;

2.24.3. Timely respond to email communications from PMBI, within a maximum of

48 hours from receipt.

2.24.4. In the event PMBI 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 PMBI.

Except in the case of a notice, the Applicant hereby consents to receive any communication or information contemplated by Agreement in any manner contemplated by this Section 2.23, which communication or information shall be deemed communicated upon sending electronically to the email address submitted by the Applicant for such purpose, or upon posting on any web site or other on-line medium maintained by PMBI for such purpose.

1.35. 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, Landlord, and other parties to whom the Applicant incurs obligations in connection with the **Pradhan Mantri Bhartiya Janaushadhi Kendra**.

1.36. SIGNIFICANT EVENT NOTIFICATIONS:

The Applicant will keep PMBI 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 PMBI of the circumstances, and provide PMBI with copies of pertinent documents, and any other information PMBI 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 matter, including those not related to the Pradhan Mantri Bhartiya Janaushadhi Kendra that could impair the good will associated with PMBI & Department of Pharmaceuticals under Ministry of Chemicals & Fertilizers, Government of India.

2. FUND REQUIREMENTS & EARNINGS BY THE APPLICANT:

Applicant will arrange sufficient funds for smooth running of Pradhan Mantri Bhartiya Janaushadhi Kendra at all times.

3.1 Special Incentive:

Special incentive as applicable from time to time shall be granted for PMBJK opened by the Women entrepreneurs, Divyang, SC, ST, Ex-Servicemen & any entrepreneurs open '**Pradhan Mantri Bhartiya Janaushadhi Kendra (PMBJK)**' at aspirational districts (backward district) as notified by the NITI Aayog& in Himalayan, Island territories and North- Eastern States. An amount of Rs. 2 Lakhs in addition to normal incentives as applicable is to be given to above mentioned entrepreneurs as mentioned below :-

- (i) Rs. 1.50 Lakh reimbursement of furniture and fixtures; and
- (ii) Rs. 0.50 Lakh as reimbursement for Computer, internet, printer, scanner etc.

This will be one-time grant for opening of new PMBJK against submission of original bills and restricted up to actual expenditure incurred.

Note: "The Special incentive shall be granted to the Women entrepreneurs, Divyang, SC, ST, Ex-Servicemen & any entrepreneurs open 'Pradhan Mantri Bhartiya Janaushadhi Kendra (PMBJK)' at aspirational districts as notified by the Niti Aayog, in Himalayan, Island territories and North- Eastern states based on One Family – One Grant formula. It means any above-mentioned eligible PMBJK owner shall be granted special incentive only once and no other person from his/her family/relative shall be granted special incentive thereafter. For this Purpose, "Relative" means – "Relative", in relation to an individual, means the husband, Wife, unmarried dependent brother or sister or any lineal ascendant or descendant of that individual."

3.2 Normal Incentive -

PMBJK run by entrepreneurs/ Pharmacists/ Trusts/ Societies & Charitable Organizations linked with the PMBI headquarters through PoS Software will receive incentives as applicable from time to time. Currently, the incentive will be given @ 20% of monthly purchase made from PMBI, by these PMBJKs subject to ceiling of Rs. 20,000/- per month, subject to conditions of stock mandate. The monthly incentive will be disbursed on 50:50 basis. 50% of the total incentive will be disbursed based on purchase made by the Kendra in a month and remaining 50% incentive will be on the basis of stocking mandate or if the Kendra has maintained the sufficient stock of 200 medicines during the month. This incentive will be calculated as follow:

- a. 10% incentive on purchase basis (up to max. of Rs. 10,000/-) will be auto-calculated by the PoS System based on the monthly purchases made by the Kendra.
- b. Remaining 10% incentive based on stock mandate (up to max. of Rs. 10,000/-) will be calculated based on the availability of the following product ranges:
 - i) 100% payment if product range is 200 to 180;
 - ii) 80% payment if product range is 179 to 150;
 - iii) 50% payment if product range is 149 to 100; and
 - iv) No payment if product range is less than 100.

The stocking mandate conditions may be modified by PMBI from time to time.

This incentive also applies to PMBJKs opened by women entrepreneurs, ex-servicemen, Divyang, SC, ST & entrepreneurs who have established Pradhan Mantri Bhartiya Janaushadhi Kendras (PMBJKs) in aspirational districts as notified by the NITI Aayog, as well as in Himalayan, Island territories, and North-Eastern States. Existing PMBJKs whose incentive limit of Rs. 5 Lakh has been fully disbursed and they will also be eligible for incentives based on purchases made from PMBI, according to other applicable terms and conditions.

Furthermore, any PMBJK opened in Government premises will receive the same incentives as those applicable to PMBJKs in private premises.

3.2.1 Retail Margins:

Retail margins will be the earnings of the Applicants. The retail margins, as applicable per Government notifications, will be included in the Maximum Retail Price (MRP) on each product. The applicant must sell all products at the printed MRP only. The current applicable **Margin Rate is 20%**.

3.2.2 Investment:

In addition to the investment required for setting up the necessary infrastructure for opening of Pradhan Mantri Bhartiya Janaushadhi Kendra as per the requirements of this agreement, the applicant must invest sufficient funds for the purpose of smooth functioning of the store by ensuring the availability of all products.

3.2.3 Agreement Terms:

The applicant acknowledges and agrees that this agreement confers no right to continuation or renewal for a subsequent term on or after the expiration date.

4 **SOURCING OF MEDICINES:**

The Applicant shall purchase medicines from the list of medicines provided by PMBI, in relation with the operation of the Pradhan Mantri Bhartiya Janaushadhi Kendra, only from PMBI's Central Warehouse/ Regional Warehouse/ Authorized Distributors as informed by PMBI.

In-case of any change in source for procurement of Medicines, PMBI will inform the Applicant in writing.

5 **ONGOING ADVICE AND ASSISTANCE:**

During the applicable terms of this agreement, PMBI shall 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 Pradhan Mantri Bhartiya Janaushadhi Kendra campaign, local marketing of the Pradhan Mantri Bhartiya Janaushadhi Kendra, and adherence to the process and guidelines as PMBI deems advisable at no charge.

6 **SELLING OTHER MEDICINES & PRODUCTS:**

Selling of other generic/ branded medicines at Pradhan Mantri Bhartiya Janaushadhi Kendra will not be permitted by PMBI. In violation of this provision, PMBI can initiate action against the said Kendra including cancellation of the permission or withholding incentive as decided from time to time.

7 **TERMINATION:**

PMBI 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:

- i. If, in the opinion of PMBI, the performance of the Applicant is found to be unsatisfactory.
- ii. If the Applicant commits a breach of any of the terms and conditions of this Agreement.
- iii. If there is any change (not acceptable to PMBI) in the constitution of the **Pradhan Mantri Bhartiya Janaushadhi Kendra** without the prior written consent of PMBI.
- iv. If for any reason, the Applicant is prevented for a period of three months from performing any of its obligations under this Agreement.
- v. If the Applicant is guilty of any conduct which, in the opinion of PMBI, is prejudicial to the interests of PMBI or principles of PMBI relating to fair business practices or any other misconduct or misbehavior with customers or officials of PMBI.
- vi. 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 PMBI.

- vii. If the Applicant is declared insolvent or commits any act of insolvency or compound or enter into a scheme of compromise with their creditors.
- viii. 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 PMBI will from time to time provide the information to the Applicant with information that is confidential in nature and that if disclosed to third party might adversely impact the ability of PMBI to remain competitive. The Applicant agrees that, unless otherwise determined by PMBI, the marketing strategies and programs developed by PMBI shall be treated as confidential until publicly disseminated in accordance with the instructions of PMBI. 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 for failing to perform any obligation hereunder, if such failure is caused solely by circumstances beyond that party's reasonable control, including act 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 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), PMBI 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:**

This agreement shall be deemed to have been executed in Delhi for all the purposes. The applicable law governing this agreement shall be the laws of India. Any disputes or differences arising between the **Pradhan Mantri Bhartiya Janaushadhi Kendra** and the Second Party shall be resolved amicably through mutual consultation by both the parties failing which courts of Delhi shall have the exclusive jurisdiction to try and entertain the dispute related to this agreement.

IN WITNESS WHERE OF THE FIRST PARTY AND SECOND PARTY APPEND

THEIR SIGNATURE IN TOKEN OF HAVING ACCEPTED THE ABOVE TERMS AND CONDITIONS ON THIS ____ DAY OF _____ 20__, AS MENTIONED ABOVE.

IN THE PRESENCE OF THE FOLLOWING WITNESSES:

SIGNED SEALED AND DELIVERED FOR THE FIRST PARTY.

WITNESS

SIGNED SEALED AND DELIVERED FOR THE SECOND PARTY

WITNESS