

Government Nominated Agencies



AGREEMENT
BETWEEN

PHARMACEUTICALS AND MEDICAL DEVICES BUREAU OF INDIA (PMBI)
(Set up under the Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Govt. of India)

AND

GOVERNMENT OF _____

DEPARTMENT OF _____

AND

(Nominated Agency for Operating Pradhan Mantri Bhartiya Janaushadhi Kendra)

ON _____ (Date)

THIS AGREEMENT is made and entered into on this ____ day of _____, 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

GOVERNMENT OF _____

DEPARTMENT OF _____

AND

The Applicant, M/s _____ NGO/ Society/ Institution/ Individual _____ 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 PMBJK) 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 have the necessary infrastructure/ manpower/ licenses / equipments / furniture & fixtures, Computers and associated peripherals and also possess the financial stability required to establish and operate the Pradhan Mantri Bhartiya Janaushadhi Kendra. To accomplish the purpose, the applicant is also ready to perform all activities including purchase of medicines against the advance payment, for the dispatch of goods and stock under ambient temperature as required for the storage of medicines. Additionally, the applicant is ready to make retail sales after generating sales invoices at prices fixed by PMBI from time to time, receive payment from customers for the sale value, record necessary transaction entries in computerized software system and ensure sufficient funds are available for the purchase and replenishment with fresh stock of **Medicines** to run the **Pradhan Mantri Bhartiya Janaushadhi Kendra** on a sustainable basis. The applicant has requested PMBI to allocate Pradhan Mantri Bhartiya Janaushadhi Kendra to him/them 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 for 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 all the parties in writing.

(d) PMBI retains the right to engage in direct sales and to establish 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. ROLES AND RESPONSIBILITIES OF STATE GOVERNMENT:-

The State Government has the following responsibilities for the opening of PMBJK:-

- (a) The PMBJK operator for PMBJK outlets located in Government Hospitals / Medical College premises will be selected by State Government. However, in case the performance of the Operator is not found up to the mark, PMBI will have the right to change the operator.
- (b) State Government will provide the space free of charge in the premises of Medical College Hospitals, District Hospitals or at any other suitable location as may be decided by the State Government for running of Pradhan Mantri Bhartiya Janaushadhi Kendra (PMBJK) 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/ Defense/ PSU"s, etc. 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.

2. ROLES AND RESPONSIBILITIES OF OPERATING AGENCY

The operation agency has following responsibility for the opening and running of PMBJK:-

- I. In Government Hospitals/Medical colleges/ any other place decided by the Second Party, the preferred agency will be reputed NGOs/Charitable Organizations but individuals would also be eligible for operating PMBJK.
- II. Operating Agency will enter into agreement 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 terms and conditions of the agreement.
- III. It would ensure that the Pradhan Mantri Bhartiya Janaushadhi Kendra is opened in the selected hospitals/Medical Colleges/ any other place decided by the State Government, as soon as possible.
- IV. 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.
- V. It will obtain all required licenses including drug license to run PMBJPK.
- VI. It will ensure proper communication to spread information for popularizing Pradhan Mantri Bhartiya Janaushadhi Pariyojna (PMBJP) among its registered beneficiaries and Medical staff with the help of PMBI.

3. FUNCTIONS AND RESPONSIBILITY OF THE PMBI

The PMBI has following responsibilities for the opening and running of PMBJK:-

- (a) For proper implementation of the scheme, PMBI would render all required assistance to the operating agency for running of PMBJK for furthering the objective of the PMBJK Program.
- (b) PMBI shall also facilitate the supply of affordable quality generic medicines, surgical items, consumable through its supply chain against the advance payment for dispatched goods.

4. SHOP SITE SELECTION & DESIGN

The Applicant will adhere to the procedures and requirements laid down by the PMBI for the establishment of Shop, as stated hereunder:

- 4.1. The site location for opening the PMBJ 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.
- 4.2. 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.

- 4.3. The minimum area required for opening Pradhan Mantri Bhartiya Janaushadhi Kendra should be 120 Sq. Ft.
- 4.4. 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.
- 4.5. 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. Applicant’s with air-conditioned facility in the premises will be preferred over others.
- 4.6. 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.
- 4.7. 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.
- 4.8. This agreement does not grant the applicant any right to relocate the Pradhan Mantri Bhartiya Janaushadhi Kendra without any permission in writing from PMBI.
- 4.9. 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:

5. REQUIREMENTS FOR OPENING OF PMBJK:

Following requirements are the requirements for the opening of PMBJK:-

- a) Own space or hired space (Minimum 120 sq. ft.) duly supported by proper lease agreement or space allotment letter. Applicant will arrange the space for running the Pradhan Mantri Bhartiya Janaushadhi Kendra & PMBI will have no role for arranging space.
- b) Proof of securing a pharmacist with name, Registration with the State Council etc. (or it can be submitted at the time of final approval of PMBJK)
- c) If applicant is under the category of Women entrepreneurs, Divyang, SC, ST, Ex-Servicemen & any entrepreneurs of aspirational districts (backward district) as notified by the Niti Aayog, in Himalayan, Island territories and North- Eastern states, the applicant has to submit suitable certificate/proof from respective authorities along with undertaking at the time of application. The applicant must mention the category for getting the suitable benefit and category mentioned in application form. Once the category is selected by the applicant, later on applicant will not be able to change it in future due to any reason.
- d) Non-refundable application fees of Rs. 5,000/- is to be deposited along with application form. Application fee is not applicable in case of applicant belongs to the category of Women Entrepreneurs, Divyang, SC, ST, Ex-Servicemen & any entrepreneurs of aspirational districts (backward district) as notified by the NITI

Aayog, in Himalayan, Island territories and North-Eastern states. For exemption of fee the applicant has to submit the proof of their category.

- e) Online application will be available on official website of PMBI for opening of PMBJK.
- f) The following distance policy shall be observed, while approving the new PMBJK. Hence, applicant is required to follow the mentioned distance policy while applying for the new PMBJK:
 - (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)

- g) The applicant has agreed to provide one cancelled Cheque issued from the Indian Nationalized Banks to the PMBI.
- h) 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.

6. IMPORTANT OPERATING TERMS AND CONDITIONS:

The important operating terms and conditions for operating PMBJK are given below:

- a) Applicant will enter into agreement before beginning operations of “Pradhan Mantri Bhartiya Janaushadhi Kendra”. All operations of Pradhan Mantri Bhartiya Janaushadhi Kendra will be conducted as per agreement terms and conditions.
- b) It shall be the responsibility of the applicant to obtain drug license in the name of “Pradhan Mantri Bhartiya Janaushadhi Kendra” and other permissions to run a drug store. Compliance to all statutory requirements for storage of drugs shall be ensured by the applicant.
- c) Applicant 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.
- d) All billings should be done using software provided by PMBI. No medicine can be sold in PMBJK without using the software provided by PMBI.
- e) PMBJK operators will be allowed to sell allied medical products, commonly sold in chemist shops but they are not allowed to sell any medicines other than products of PMBI.
- f) Supply will be made against the advance payment for dispatch of goods.

Detailed terms and conditions are given in draft agreement and may be referred by applicant.

7. 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.

The 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 in the Janaushadhi Kendra premises.

8. PMBJP 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.

9. 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 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 at all times maintain an inventory of all listed medicines of PMBI 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 agreement, 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.

10. 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 from Central Warehouse/Regional Warehouse/ Authorized Distributors of PMBI.

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

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

12. 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.

13. 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 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 PMBI that are appropriate to the Pradhan Mantri Bhartiya Janaushadhi Kendra, as determined by PMBI.

14. 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 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.

15. 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 PMBI has for the Applicant's breach of this Agreement.

16. SHOP INSPECTIONS.

In order to safeguard and determine compliance with the Janaushadhi 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, Honorable Parliamentarians, without any prior notice to the Applicant.

17. 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 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 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.

18. 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 PMBI if any efforts to be taken under this Section.

19. SALES AND PRODUCT MIX REPORTING REQUIREMENTS.

The Applicant shall upon request periodically 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.

20. PROJECTING REQUIREMENTS OF MEDICINES

At the request of PMBI 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 it or its designated supplier may project quantities to be manufactured.

21. HOURS OF OPERATION.

The Applicant shall keep the Pradhan Mantri Bhartiya Janaushadhi Kendra open and in normal operational 24 hours. However, it is suggested to have the meals 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.

22. POS (POINT OF SALE) SYSTEM.

To ensure the efficient management and operation of the 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 equipment, all of which must be approved by PMBI prior to start of operation or otherwise in writing. The software for computerized operation for PoS Software 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.

23. 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.

24. 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.

25. 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.

26. PMBI'S OWNERSHIP AND USE OF POS INFORMATION

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

27. 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 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 Pradhan Mantri Bhartiya Janaushadhi Kendra with internet access and a reasonably current web browser, and:

1. 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. Timely responds to email communications from PMBI, within a maximum of 48 hours from receipt;
3. 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 receiving any communication or information contemplated by Agreement in any manner contemplated by this Section, 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 PMBI for such purpose.

28. 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.

29. 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 complaints received from any staff/ patient w.r.t. any activity at the PMBJK.
- (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 PMBI & Department of Pharmaceuticals under Ministry of Chemicals & Fertilizers, Government of India.

30. FUND REQUIREMENTS & EARNINGS BY THE APPLICANT:

- i. Applicant will arrange sufficient funds for smooth running of PMBJK at all times.
- ii. Operating agency will be provided 20% margin on MRP (Excluding taxes) of each product.
- iii. 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%.
- iv. In addition to the investment required for setting up the necessary infrastructure for opening of Pradhan Mantri Bhartiya Janaushadhi Kendra's per the requirement of this agreement, applicant will always invest enough money to run the store smoothly by making all products available.
- v. The Applicant also acknowledges and agrees that this Agreement confers no right to continuation, renewal for a subsequent term on or after the date of expiration.

31. 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.

31.2.1 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%**.

31.2.2 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.

31.2.3 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.

32. SPECIAL INCENTIVE:

Special incentive, as applicable from time to time, shall be granted for PMBJK opened by the Women

Entrepreneurs, Divyaang, SC, ST, Ex-Servicemen & any entrepreneurs open '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. 2.00 lakhs in addition to normal incentives as applicable is to be given to the above-mentioned entrepreneurs as below:

(i) Rs. 1.50 lakh reimbursement of Furniture and Fixtures

(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.*

33. SOURCING OF MEDICINES

The Applicant shall purchase medicines in PMBI list in connection with the operation of the Janaushadhi Kendra, only from PMBI's Central Warehouse/Regional Warehouse/Authorized Distributor as informed by PMBI.

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

34. ONGOING ADVICE AND ASSISTANCE.

During the applicable term of this agreement PMBI 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 Janaushadhi Kendra, and also marketing programs applicable to the Janaushadhi Campaign, local marketing of the Janaushadhi Kendra, and adherence to the process and guidelines as PMBI deems advisable.

35. SELLING OTHER MEDICINES & PRODUCTS

The Applicant – NGO/Trust/Society/Charitable institutions/reputed professional bodies/organizations will be allowed to sell generic/ branded medicines which are not included in the list of medicines supplied by PMBI with prior information and approval of PMBI. However, selling other branded medicines and product will not be permitted by PMBI.

36. 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:-

- a. If, in the opinion of PMBI, the performance of the Applicant is found to unsatisfactory.
- b. If the Applicant commits a breach of any of the terms and conditions of this Agreement.
- c. If there is any change (not acceptable to PMBI) in the constitution of Janaushadhi Kendra without the prior written consent of PMBI.
- d. If for any reason, the Applicant is prevented for a period of three months from performing any of his obligations under this Agreement.
- e. If the Applicant is guilty of any conduct which, in the opinion of PMBI, is prejudicial to the interest of PMBI or principles of PMBI relating to fair business practices or any other misconduct or misbehavior with customer or officials of PMBI.
- f. If the 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.
- g. If the Applicant is declared insolvent or commit any act of insolvency or compound or enter into a scheme of compromise with their creditors.
- h. 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.

37. 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.

38. 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.

39. 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.

40. 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..... day of, 2024 in three originals each in English.

Shri _____ Shri _____ Shri _____

Name & Designation Head/In-Charge of CEO/ Director,

Department of _____
_____ (Nominated Agency) (PMBI) Govt. of India

In presence of

1. 1.

2. 2.