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 _____ (Name of the Applicant/Institution), a _____ (Individual/Partnership Firm/ Company/ Society/Trust/NGO/Other) registered under the provisions of the _____ (Name of the Act), having its registered office at _____, situated in _____ (Block), _____ (District), _____ (State), _____ (PIN Code), acting through its _____ (Proprietor/Partner/Director/President/Authorized Representative), Mr./ Ms. _____, (hereinafter referred to as "the Applicant", which expression shall, unless repugnant to the context or meaning thereof, be deemed to include its successors, legal heirs, legal representatives, permitted assigns, and the person or persons for the time being constituting and representing the said entity) of the OTHER PART.

WHEREAS:-

a) PMBI is presently engaged in procurement, marketing, sale & distribution of medicines and drugs including those, which are 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/ she/ 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 PMBJK 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 PMBJK on sustainable basis and has requested PMBI to allocate him/ them PMBJK 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 PMBJK 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 the termination clause i.e. clause 5 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 allot one or more PMBJK 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 PMBJK should either be owned or taken on lease/ rent/ allotted by concerned Authority in the name of the Applicant.

1.3. The minimum carpet area required for opening of PMBJK should be 120 Sq. Ft.

1.4. Requirements for opening PMBJK

a. The applicant has agreed to arrange space having a minimum carpet area of **120 sq. ft.** (either an owned or rented) for operating the PMBJK. In case of rented premises, the Applicant shall submit a valid lease/rent agreement or, as applicable, a space allotment letter as proof of possession. The Applicant shall be solely responsible for arranging, maintaining and ensuring the availability of the required premises. **PMBI shall have no obligation or responsibility to arrange, provide or facilitate such space**.

b. The applicant is agreed to provide Proof of securing a pharmacist with name, Registration with the Concerned State Council, etc.

c. The Applicant shall submit the requisite documentary evidence, issued by the competent authority, along with a self-undertaking, wherever applicable, for claiming benefits under the respective eligible category. The following documents shall be required:

- **Women Entrepreneur:** Self-undertaking in the prescribed format.
- **Ex-Servicemen:** Valid certificate issued by the Directorate General of Resettlement (DGR) or any other competent authority, along with a self-undertaking.

- **Divyangjan:** Valid Disability Certificate issued by the competent medical authority designated by the respective Government, along with a self-undertaking.
- **Scheduled Caste (SC)/Scheduled Tribe (ST):** Valid Caste Certificate issued by the competent authority designated by the respective Government, along with a self-undertaking.
- **Applicants belonging to Aspirational Districts (as notified by NITI Aayog), Himalayan States, Island Territories, and North-Eastern States:** Self-undertaking in the prescribed format.

The Applicant shall correctly declare and select the applicable category in the application form for claiming the corresponding benefits under the PMBJP Scheme. Any incorrect declaration or submission of false or misleading information/documents shall render the Applicant liable for rejection of the application.

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. Metropolitan and Million-Plus Cities: A minimum distance of 0.5 km (500 metres) shall be maintained between any two Jan Aushadhi Kendras (JAKs) in the following locations:

- The seven metropolitan cities, namely Delhi, Mumbai, Kolkata, Chennai, Bengaluru, Hyderabad, and Ahmedabad; and
- Cities having a population of one million or more, based on the latest available Census data. The list of such cities shall be as specified in the PMBI Guidelines for opening new PMBJKs, prepared on the basis of the Census 2011 or any subsequent revision thereof by the competent authority.

ii. All Other Locations: A minimum distance of 1.0 km (one kilometre) shall be maintained between any two JAKs while approving a new Kendra in all districts other than those covered under Clause V(d)(i) across the country.

Note: The above minimum distance requirements shall not apply to JAKs that are proposed to be established within the Government premises.

e) The Applicant shall provide to PMBI one cancelled cheque issued from an account maintained with an Indian Nationalized Bank, for verification and record purposes.

f) The Applicant shall furnish three duly signed blank cheques drawn on an account maintained with an Indian Nationalized Bank, in favour of **Pharmaceuticals & Medical Devices Bureau of India (PMBI)**. The said cheques shall be held by PMBI as security and may be utilized for recovery of any outstanding dues that remain unpaid beyond a reasonable period, in cases where the Applicant fails to make payment or provide any satisfactory communication or response to PMBI and/or the supplier regarding such dues.

1.5. The inside area of PMBJK 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.

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. Further, the Applicant hereby undertakes to keep PMBI informed, from time to time, of any modification, alteration, or renewal of the Drug License and shall submit the updated license and related documents to PMBI without delay.

1.8. The Applicant shall not commence (or recommence) operations of the PMBJK 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 PMBJK without prior permission in writing from PMBI.

1.10. The Applicant shall, throughout the applicable term, continuously and diligently operate the PMBJK in strict compliance with the terms and conditions set forth in this agreement.

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 PMBJK Manager having primary responsibility for the day-to-day operation of the PMBJK 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 PMBJK Manager shall furnish personal full-time attention and best efforts to the day-to-day management and operation of PMBJK**,** in accordance with the requirements of this Agreement and he must maintain a physical presence at the PMBJK.

1.13. PRADHAN MANTRI BHARTIYA JANAUSHADHI KENDRA EMPLOYEES:

In addition to the designated PMBJK Manager, the PMBJK shall be staffed with qualified, competent employees well versed with working in computerized operation and will assist the PMBJK 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 PMBJK only the Medicines which are supplied by PMBI.

iii. The Jan Aushadhi Kendra Owner/Operator may stock, display, and sell healthcare and medical products, including commonly used items (e.g. cosmetic items), provided that such storage and sale are carried out in strict compliance with all applicable laws, rules, regulations, licences, and statutory requirements in force from time to time.

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 PMBJK 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 PMBJK, as authorized by PMBI from time to time, are manufactured using proprietary recipes and processes, and are an inseparable and essential element of the PMBJK 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 shall be made against the orders placed by the Jan Aushadhi Kendra owners/ operator, and in respect of the same, the kendra owner is allowed for a credit period of 75 days for payment against the goods supplied.

1.18. RETURN AND EXCHANGE:

a. In case of Top 400 Fast-Moving Products (as prescribed by PMBI):

PMBI shall not accept any return or exchange of products supplied against confirmed orders. However, as PMBI provides an upfront discount of 2% in every invoice towards expiry/ breakage compensation.

b. In case of products categorized beyond the Top 400 Products:

These products shall be supplied on a returnable basis. Upon expiry, such products may be returned only to the original source of purchase, i.e., the authorized distributors of PMBI, in accordance with the applicable return and replacement policies.

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 PMBJK 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 PMBJK, as determined by PMBI.

The Applicant may actively promote the PMBJP Scheme and Jan Aushadhi Medicines by organizing awareness activities, including Health Check-up Camps and other outreach programmes, and by engaging with public representatives (such as MPs, MLAs), medical practitioners, healthcare professionals, doctors, and other stakeholders to spread awareness regarding the benefits of Jan Aushadhi medicines among the general public.

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 PMBJK. In particular, the Applicant shall have a retail Drug Sale License in the PMBJK name 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, 1940, and Rules, 1945, 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 PMBJK may also get visited and inspected by Government Officials and Honorable Parliamentarians, without any prior notice to the Applicant.

In the event that the Kendra Owner/Manager obstructs, interferes with, causes any hinderance or fails to cooperate during any inspection conducted by PMBI officials, Government authorities, or Hon'ble Members of Parliament, PMBI shall have the right to terminate this Agreement with immediate effect and may also intimate to the concerned Drug Licensing Authority for suspension or cancellation of the Drug License, as deemed appropriate.

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 PMBJK 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 PMBJK, 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 as PMBI considers appropriate.

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

1.34.1. 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:

1.34.2. 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;

1.34.3. Timely respond to email communications from PMBI, within a maximum of 48 hours from receipt.

1.34.4. 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, 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 PMBJK.

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 PMBJK 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 PMBJK, 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 PMBJK.

e) Any other matter, including those not related to the PMBJK that could impair the good will associated with PMBI & Department of Pharmaceuticals under Ministry of Chemicals & Fertilizers, Government of India.

2. INCENTIVE:

2.1 Special Incentive:

pecial incentive as applicable from time to time shall be granted for PMBJK opened by the Women entrepreneurs (where the applicant herself is a registered pharmacist and the JAK is established and operated in her own name), Divyang, SC, ST, Ex-Servicemen & any entrepreneurs open PMBJK at aspirational districts as notified by the NITI Aayog & 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 PMBJKs, against submission of original bills and is restricted up to actual expenditure incurred.

For claiming the Special Incentive, the eligible Kendra owner shall submit all bills pertaining to the Special Incentive within 60 days from the date of issuance of the Store Code. Upon expiry of the stipulated 60-day period, no bill, claim, or request for consideration of such bills shall be entertained by PMBI if submitted thereafter.

The Kendra Owner availing the One-Time Special Incentive from PMBI shall be mandatorily required to operate the concerned Jan Aushadhi Kendra (JAK) continuously for a minimum period of **two (02) years from the date of generation of the Store Code**. In the event of premature closure or discontinuation of the Kendra before completion of the said period, the Kendra Owner shall be liable to refund the entire Special Incentive amount received from PMBI. In case of failure to refund the said amount, PMBI shall be entitled to initiate appropriate legal proceedings for recovery of the incentive amount, in accordance with applicable laws.

Note: "The Special incentive shall be granted to the Women entrepreneurs, Divyang, SC, ST, Ex-Servicemen & any entrepreneurs open PMBJK at aspirational districts as notified by the Niti Aayog, in Himalayan, Island territories and North- Eastern States. 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", in relation to an individual, means the Husband, Wife, unmarried dependent brother or sister or any lineal ascendant or

descendant of that individual.

2.2 Normal Incentive:

All PMBJK linked with PoS Software will receive incentives as applicable from time to time. Currently, the incentive will be given @ 12% of monthly purchase made from PMBI, by these PMBJKs subject to ceiling of Rs. 12,000/- 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. 6% incentive on purchase basis (up to max. of Rs. 6,000/-) will be auto-calculated by the PoS System based on the monthly purchases made by the Kendra.

b. Remaining 6% incentive based on stock mandate (up to max. of Rs. 6,000/-) will be calculated on the basis of total purchase made during the month by PMBJKs on the below mentioned product ranges availability:

   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.

PMBI reserves the right to modify the stocking mandate conditions from time to time. The Applicant agrees that the use of PMBI-prescribed POS software shall be mandatory for claiming and receiving monthly incentives.

Existing PMBJKs that have received the maximum incentive amount of **₹5 lakh** shall also be eligible for incentives on further purchases made from PMBI, subject to compliance with all other applicable terms and conditions of the incentive scheme.

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

For the purpose of timely and accurate disbursement of Normal Incentive, which is dependent upon the complete sales data being reflected in the central system, all Kendras are hereby required to complete the synchronization of PoS data for the previous month on or before the 10th day of the succeeding month. Any sales data received after the stipulated 10th day shall not be considered for the subsequent incentive cycle.

2.3 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 30%.**

2.4 Investment:

In addition to the investment required for setting up the necessary infrastructure for opening of PMBJK 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.

2.5 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.

2.6 Fund Requirements & Earnings:

Applicant will arrange sufficient funds for smooth running of PMBJK at all times.

Applicant will arrange sufficient funds for smooth running of PMBJK at all times.

3 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 PMBJK and also marketing programs applicable to the PMBJK campaign, local marketing of the PMBJK, and adherence to the process and guidelines as PMBI deems advisable at no charge.

4 SELLING OTHER MEDICINES & PRODUCTS:

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

The Jan Aushadhi Kendra Owner/Operator may stock, display, and sell other healthcare products, including commonly used items (e.g. cosmetic items), provided that such storage and sale are carried out in compliance with all applicable laws, rules, regulations, licences, and statutory requirements in force from time to time.

5 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 PMBJK 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 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.

In the event of violation of any one or more of the aforesaid clauses, PMBI shall have the right to terminate this Agreement with immediate effect and may also intimate the concerned Drug Licensing Authority for appropriate action, including suspension or cancellation of the Drug License, as deemed fit.

6 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 PMBJK operations, and the Applicant agrees not to use any such confidential information for any purpose other than to discharge its obligations under this Agreement.

7 FORCE MAJEURE:

Neither party shall be in default for failing to perform any obligation hereunder, if such failure is caused solely be circumstances beyond that party's reasonable control, including act of God, civil commotion, strikes, acts of terrorism, etc.

8 DISPUTE RESOLUTION:

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 Arbitration Council. The provisions of Arbitration and conciliation Act, 1996 shall apply. The

award given by the appointed arbitrator shall be final and binding on both the parties. The venue for arbitration shall be at Delhi.

9 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 PMBI 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:

WITNESS:

1.

SIGNED SEALED AND DELIVERED
FOR THE FIRST PARTY

2.

SIGNED SEALED AND DELIVERED
FOR THE SECOND PARTY