

(TRIPARTITE AGREEMENT FORMAT)

MEMORANDUM OF UNDERSTANDING (MOU)

BETWEEN

**GOVERNMENT OF JHARKHAND
DEPARTMENT OF HEALTH, MEDICAL EDUCATION, FAMILY WELFARE**

AND

(Selected Agency)

AND

**BUREAU OF PHARMA PUBLIC SECTOR UNDERTAKINGS OF INDIA (BPPI)
SET UP UNDER THE DEPARTMENT OF PHARMACEUTICALS MINISTRY OF
CHEMICALS & FERTILIZERS
GOVERNMENT OF INDIA**

ON.....

AT.....

The **State Government of Jharkhand, Department of Health, Medical Education and Family Welfare** and the -----
(**Selected Agency**) and the **Bureau of Pharma Public Sector Undertakings of India (BPPI)** set up under **Department of Pharmaceuticals (DoP), Ministry of Chemicals and Fertilizers, Government of India**, herein after referred to as the parties.

RECOGNISING that the **State Government of Jharkhand, Department of Health, Medical Education and Family Welfare** is the Nodal Department in the Government of Jharkhand (herein after referred to as the First Party of MOU) for providing co-operation to Bureau of Pharma Public Sector Undertakings of India (BPPI) in the implementation of the Pradhan Mantri Bhartiya Jan Aushadhi Pariyojana (PMBJP) in the State of Jharkhand, besides issuing guidelines to the Govt. Doctors in the hospitals for prescribing medicines based on Generic names and educating general public about the advantages of Jan Aushadhi campaign.

RECOGNISING that **the** ----- (**Selected Agency**), will be the Nodal Agency as decided by the State Government (herein after referred to as the Second Party of MOU) which will be responsible for establishing, managing and successfully running the Jan Aushadhi Generic Drug Stores for making available quality generic medicines at affordable prices for all.

RECOGNISING that the **Bureau of Pharma Public Sector Undertakings of India (BPPI) under Department of Pharmaceuticals (DoP) Government of India**, (herein after referred to as the Third Party of MOU) is responsible for facilitating the required supply of affordable quality generic (unbranded) medicines etc. through central warehouse/C&F agent/Super Stockist of BPPI, to the Jan Aushadhi Generic Drug Stores to be managed by the -----

----- (**Selected Agency**) with applicable margins and with the credit facilities for the products up to 30 days with Post Dated Cheque from the date of supply.

1. ALL THE ABOVE PARTIES HAVE REACHED THE FOLLOWING UNDERSTANDING AS OUTLINED IN THE BELOW MENTIONED ARTICLES:

ARTICLE-I

The scheme titled as ‘ Pradhan Mantri Bhartiya Jan Aushadhi Pariyojana (PMBJP)’, a public welfare programme in the area of health care initiated by the Department of Pharmaceuticals (DoP), Ministry of Chemicals & Fertilizers, Government of India being implemented by the agencies such as Bureau of Pharma Public Sector Undertakings of India (BPPI), Central Pharma Public Sector Undertakings (CPSUs) is supported by the **State Government of Jharkhand, Department of Health, Medical Education and Family Welfare** through which the -

----- **(Selected Agency)** will be establishing, running and managing the Jan Aushadhi Generic Drug Stores for making available quality generic medicines at affordable prices for all. The opening of Jan Aushadhi Generic Drug Stores under the Jan Aushadhi Scheme will be done by the -----
-----**(Selected Agency)** in a manner as may be decided in consultation with the State Government and the Bureau of Pharma Public Sector Undertakings of India (BPPI). In the first instance, the Jan Aushadhi Generic Drug Stores will be opened in every Medical college/District Hospital/CHC/PHC premises or at any suitable location provided by the **State Government of Jharkhand, Department of Health, Medical Education and Family Welfare** and spread in to block level etc. as may be decided by the State Government.

2. Roles and responsibilities of Department of Health, Medical Education & Family Welfare, Govt. of Jharkhand:

- 2.1. The State Government will extend its support and co-operation to -----
(Selected Agency) and BPPI in the opening up of Jan Aushadhi Stores and implementation of Pradhan Mantri Bhartiya Jan Aushadhi Pariyojana (PMBJP).
- 2.2. The scheme titled as 'Pradhan Mantri Bhartiya Jan Aushadhi Pariyojana', a public welfare program in the area of health care initiated by the Department of Pharmaceuticals (DoP), Ministry of Chemicals & **Fertilizers**, Government of India being implemented through the agency Bureau of Pharma Public Sector **Undertakings** of India (BPPI) will be supported by the Deptt. of Health, Medical Education & Family Welfare, Govt. of Jharkhand, in establishing 250 (Two Hundred **Fifty**) Pradhan Mantri Bhartiya Jan Aushadhi Kendra for making available quality

generic medicines at affordable prices for **all in public** health facilities & other **suitable public establishments under the state government.**

- 2.3. The opening of Pradhan Mantri Bhartiya Jan Aushadhi Kendra (PMBJK) under the Pradhan Mantri Bhartiya Janaushadhi Priyोजना will be facilitated by the Deptt. of Health, Medical Education & Family Welfare, Govt. of Jharkhand and in so doing it may select one or more nodal agency to run the PMBJK in the State of Jharkhand.
- 2.4. The Deptt. of Health, Medical Education & Family Welfare, Govt. of Jharkhand will in particular endeavor to open Pradhan Mantri Bhartiya Janaushadhi Kendra in every Govt. Medical College, District Hospital/CHC/PHC premises throughout the length & breadth of Jharkhand.
- 2.5. The Chief Medical Officer of the District/Medical Superintendent of the Zonal Hospital/Medical Officer in-charge of CHC/PHC will provide the space in the premises of District Hospital/Zonal Hospital/CHC/Primary Health Center/other Government Hospital, as the case may be, for running of Pradhan Mantri Bhartiya Janaushadhi Kendra by selected agency. In case space is not available inside the Medical College/District Hospital/CHC/PHC etc. then permission for temporary structure, on vacant land inside the premises may be considered.
- 2.6. Further, the Jan Aushadhi Kendras, previously set up in medical college/district hospital through Rogi Kalayan Samiti but no longer operational will be also be taken up for revival, wherever possible.
- 2.7. The Deptt. of Health, Medical Education & Family Welfare, Govt. of Jharkhand will issue suitable guidelines to the Government Doctors in these hospitals to prescribe unbranded Pradhan Mantri Bhartiya Jan Aushadhi Pariyोजना generic medicines and also take measures to educate and popularize, amongst the general public, the advantages of the Pradhan Mantri Bhartiya Janaushadhi Pariyोजना.

ARTICLE – II

The ----- **(Selected Agency)** will be responsible for establishing, managing and successfully running the Jan Aushadhi Generic Drug Stores for making available quality generic medicines at affordable prices for all. The -
----- **(Selected Agency)** will

own and manage the system including making necessary provision for maintenance and recurring expenditure from its own resources for running the Jan Aushadhi Generic Drug Stores, out of the margin built in the MRPs of the medicines.

3. Roles and responsibilities of (Selected Agency)

3.1. The selected agency will arrange for the round the clock running of the Pradhan Mantri Bhartiya Janaushadhi Kendra in the designated Govt. Hospitals/CHCs/PHCs etc.

3.2. The selected agency will ensure that the premises is used solely for the purpose for which it has been allotted and for no other purpose.

The selected Agency will be allowed to sell allied medical products, commonly sold in chemist shop but cannot sell any medicines other than products of BPPI

3.3. The selected agency will ensure that the premises is kept in clean, hygienic and in functional condition.

3.4. The selected agency will obtain the Retail/whole sale Drug License/GST numbers from the competent authority & run the Kendras with pharmacist and other qualified staff. The Deptt. of Health, Medical Education & Family Welfare will provide such assistance, as may be necessary, to obtain the required Drug License/GST Number.

3.5 The selected agency will procure the generic medicines directly from the Central Warehouse /C&F agent/Super Stockiest/Distributor appointed by BPPI.

3.6. The selected agency will ensure that in case of supply of the medicines made by the Central Warehouse/C&F agent/Super Stockist/Distributor, the receipts of the medicines in the relevant form(s) is/are sent to the Central Warehouse/C&F agent/Super Stockist/ Distributor as promptly as possible.

3.7. The selected agency will sell the unbranded generic drugs manufactured by the Central Pharma Public Sector Undertakings (CPSUs) or other manufacturers as may be supplied or permitted by BPPI as per the provisions & guidelines of Pradhan Mantri Bhartiya Jan Aushadhi Pariyojana.

3.8. The selected agency will not use the Pradhan Mantri Bhartiya Janaushadhi Kendra for sale of any unauthorized or illegal or extraneous/obnoxious/banned drugs which are spurious, soiled, damaged, post-dated or expired or adopt any unfair means to boost the sale.

- 3.9. The selected agency will issue computer generated receipts for each sale which will include name of medicine(s), pack and quantity, batch No., date of manufacturing and expiry, sale price, taxes, if any, as per normal procedure.
- 3.10. The selected agency will release the payments to the Central Warehouse/C&F agent/Super Stockist/ Distributor on regular basis without any default. In case of any default in payment beyond the credit period of thirty days from the date of supply of medicines, the selected agency will be liable to pay the penal interest of 12% per annum for the defaulted amount.
- 3.11. The selected agency will pay service taxes and other central and local taxes as applicable from time to time being imposed or assessed on the premises by the competent authority.
- 3.12. The selected agency will permit access to the BPPI, State and Central Government through its authorized person(s)/party at all reasonable times for the purpose of inspecting the premises and also the stock where the trade or business of the Kendra is being carried therein. Such party or its agents are authorized to seize any unauthorized items being sold in the store without any valid permission or sanction of law.
- 3.13. The selected agency will abide by directions issued by the Government of India from time to time for proper maintenance of the premises and for running of the stores, besides observing the relevant laws such as drug laws, labour laws, shop and establishment registration rules etc., as applicable.
- 3.14. The selected agency shall indemnify the Central Warehouse/C&F agent/Super Stockist/ Distributor against all losses and damages caused or sustained to the central Warehouse/C&F agent/super Stockist/Distributor due to any default, negligence, breach of any of the terms and condition by it.
- 3.15. Loss against expiry/breakage of the extent of upto 2% of the total purchase value shall be permitted to each and every Pradhan Mantri Jan Aushadhi Kendra.
- 3.16. The selected agency will regularly submit the reports and returns as may be called for the BPPI, as the case may be.
- 3.17. Further operational issues, arising from time to time, will be decided with mutual consent of all the concerned parties.

ARTICLE – III

The Bureau of Pharma Public Sector Undertakings of India (BPPI) set up under the

Department of Pharmaceuticals, Ministry of Chemicals & Fertilizers, Govt. of India will be responsible for facilitating the supply of affordable quality generic (unbranded) medicines required in health care, through central warehouse/C&F Agent/Super Stockist to the Jan Aushadhi Generic Drug Stores to be managed by the ----- (Selected Agency) with appropriate margins and with the credit facilities for the products up to 30 days from the date of supply.

4. Functions and responsibility of the BPPI.

4.1. The Bureau of Pharma Public Sector undertakings of India (BPPI) set up under the Department of Pharmaceuticals Ministry of Chemicals & Fertilizers, Government of India will be responsible for facilitating the supply of affordable quality generic (unbranded) medicines required in health care, through central warehouse/C&F Agent/Super Stockist/Distributor to the Pradhan Mantri Bhartiya Janaushadhi Kendra to be managed by Selected agency with applicable margins and with the credit facilities for the products up to 30 days with Post Dated Cheque from the date of supply.

4.2. For proper implementation of the scheme, BPPI would render all required assistance to the selected agency for running the Kendras for furthering the objective of the Pradhan Mantri Bhartiya Jan Aushadhi Pariyojana.

4.3. BPPI shall also facilitate the supply of affordable quality generic (unbranded) medicines etc. t
Dated Cheque from the date of supply.

4.4. The BPPI shall reserve the right to modify, impose or relax any clause to these terms and conditions, as the case may be.

4.5.

Normal Incentive - PMBJK run by selected agency that are linked with BPPI headquarters through software will get incentive up to Rs. 5.00 lakhs. The incentive will be given @ 15% of monthly purchase made from BPPI subject to ceiling of Rs 15,000/- per month up to total limit of 5.00 lakhs. It will also cover PMBJK opened by Women entrepreneurs, Divyang, SC, ST & any entrepreneurs open 'Pradhan Mantri Bhartiya Janaushadhi Kendra (PMBJK)' at aspirational districts as notified by the Niti Aayog. This will be applicable to existing PMBJK also whose existing limit of incentives of Rs 2.50 lakh is fully disbursed, moreover it will also cover the PMBJK opened in government premises to Whom one-time grant of Rs 2.50 lakh was disbursed. They will get incentive of Rs 2.50 lakh based on purchase made by them from BPPI as per other terms and conditions applicable to all PMBJKs.

Further, any PMBJK opened in Government premises will get normal incentives as applicable to PMBJK in private premises.

Margins and Incentives

- a. Operating agency will be provided 20% margin on MRP (Excluding taxes) of each drug.
- b. Special Incentive: Special incentive shall be granted for selected agency opened by the Women entrepreneurs, divyaang, SC, ST & any entrepreneurs open 'Janaushadhi Kendra(PMBJK)' at aspirational districts (backward district) as notified by the NITI Aayog. An amount of Rs. 2.00 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

(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 & any entrepreneurs open 'Pradhan Mantri Bhartiya Janaushadhi Kendra (PMBJK)' at aspirational districts as notified by the Niti Aayog, 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."

- 4.6. The asset as created above with the financial support provided by BPPI shall be the sole property of BPPI which will be returnable in case of termination of this agreement by either party.

ARTICLE VI

5. Effective date:

The effective date shall be the date of execution of Moll This MoU shall remain in force for a period of five (5) years on the terms and conditions mutually agreed between the parties.

6. Relationship between the Parties:

Nothing contained in this MoU shall create any relationship of partnership, agency, contractor, partners of such other relationship and neither party will have right to bind the other Party in any manner.

7. Rights and Obligations:

This MoU is not intended to create any legally binding obligations on the Parties.

8. Termination:

MoU shall be terminated by either party after giving a notice of 30 days in writing, if either party violates the terms of MoU, or if the parties feel that no useful purpose would be served in further continuing it, either due to change in circumstances or with some unexpected changes taking place in the constituting parties, or without assigning any reason.

9. Force Majeure:

Notwithstanding anything contained in this MoU, neither Party shall be liable to the other for any failure to perform or any delay in the performance of any of its obligations herein, where such failure or delay is caused by war, rebellion, civil disturbance, earthquake, fire, flood, strike, lockout, labour unrest, acts of Government instrumentalities, acts of public enemy, acts of God or such other causes as is beyond the reasonable control to the defaulting or delaying Party: Provided however, that the Party who is unable to perform its obligations, or delayed in performing any of its obligations for any reason mentioned in this Article, shall give prompt notice of the same to the other Party. If the non-performance on account of Force Majeure event continues for a continuous period 3 (three) months, this MoU may be terminated by mutual consent of the parties.

10. Assignment:

Neither Party shall assign any of the right and /or obligation under MoU to any third party without the prior written consent of the Party.

11. Amendment/Modification to the MoU

The terms and provisions of this MoU cannot be altered or modified without mutual consent and being signed by all parties.

12. Dispute Resolution:

12.1: Any dispute or difference arising between the parties out of or relating to the construction, meaning, scope, operation or effect of this MoU or the validity or the breach thereof shall be resolved amicably by the parties themselves.

12.2: If such dispute or difference is not resolved amicably then the matter shall be referred for mediation by Expert Mediator to be appointed by Jharkhand State Legal Services Authority (JHALSA).

12.3: If the dispute or difference is not amicably resolved by parties themselves or through mediation, it shall be referred to and finally resolved by Arbitration under the provisions of Arbitration and Conciliation Act, 1996 as amended. The number of Arbitrator shall be one and decision of Arbitrator shall be final and binding upon parties.

12.4. The place of arbitration shall be at Ranchi and the language of arbitration shall be English.

13. Jurisdiction:

All disputes arising from or under this MoU shall be subject to the jurisdiction of appropriate forum/Courts in Ranchi only.

ARTICLE V

IN WITNESS THEREOF, the undersigned being duly authorized thereto by the respective parties have hereto signed this MOU

Signed at on this....., 2019 in three originals each in English.

(.....)
Authority
Department of Health,
Medical Education and
Family Welfare
Govt. of Jharkhand

(.....)
Proprietor/Partner/
Authorised Signatory

(Selected Agency)

(.....)
CEO
Bureau of Pharma public Sector
Undertaking of India (BPPI)

In presence of

(.....)

(.....)

(.....)