

COMPLIANCES / GUIDELINES FOR DISTRIBUTORS/STOCKIESTS

Bharat Serums and Vaccines Limited (BSV), a company registered under the Companies Act, 1956 having its registered office address at 3rd Floor, Liberty Tower, Plot no. K10, Behind Reliable plaza, Kalwa Industrial estate, Airoli, Navi Mumbai thane, Maharashtra, India 400708, is engaged in a business of research, development, manufacturing, marketing and sales of biopharmaceutical and pharmaceutical products in India and in overseas market.

BSV hereby appointed Distributors/Stockiest on a non-exclusive basis for distribution/sale of its products in the Territory of India.

BSV and the Distributor agrees that:

- a) The relation between BSV and the Distributor/Stockiest will be that of Principal to Principal basis and BSV will not therefore liable for the acts of the Distributor/Stockiest for any amount due and payable by Distributor/Stockiest to any other party.
- b) Distributor/Stockiest hereby undertake and acknowledge that the Distributor/Stockiest is not connected or related with any of the employees and CFA agent of BSV and shall intimate BSV immediately in case such relationships developed.
- c) Distributor/Stockiest hereby represents and warrants that Distributor/Stockiest has experience, necessary infrastructure, manpower and valid licenses in supplying pharmaceutical products to the patients and has further represents and warrants that Distributor/Stockiest is not debarred by any Government authority to carry out business of distribution of pharmaceutical products and there is no conviction or pending action against Distributor for any criminal offence.

It is mandatory for the Distributor/Stockiest to comply with the BSV's following guidelines while performing the services for BSV.

- a) Distributor/Stockiest shall promptly communicate to BSV along with necessary supporting documents in case of any change in the legal status, change in constitution of the business, authorised signatory of Distributor/Stockiest.
- b) Distributor/Stockiest shall always keep all the products insured.
- c) Distributor/Stockiest shall comply with all the government regulations and applicable central/local corporation acts and rules.
- d) Distributor/Stockiest shall not transfer its rights and benefits to any other party without the prior written consent of BSV.

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(formerly known as Aksipro Diagnostics P Limited)

Corporate Office

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Maharashtra, India
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Fax : +91-22-4504 3200

Registered Office

17th Floor, Hoechst House,
Nariman Point, Mumbai -
400021, Maharashtra, India
CIN : U74110MH1993PLC075088

R & D Centre

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Ambarnath Factory

Plot No. K-27, Anand Nagar,
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Fax : 0251-262 7008

- e) In distributing the Products in India, Distributor/Stockiest shall use diligent efforts to safeguard the interests of BSV by conforming to the generally accepted business practices in India. Distributor/Stockiest shall distribute the Products in accordance with the laws and regulations applicable in India, in particular but not limited to the Drugs and Cosmetics Act, 1940, The Drugs and Cosmetics Rules, 1945, The Drug (Prices Control) Order 2013, the OPPI Code of Pharmaceutical Marketing Practices.

❖ Orders:

BSV from time to time shall supply to Distributor/Stockiest the Products against valid purchase orders (which may be received by either email and /or on letter head of stockiest with stamp and signature) to the delivery point as specified by the Distributor / stockiest.

Distributor/Stockiest shall mention product name, quantity and rate on the purchase orders.

If BSV found that the purchase order is not in the order, BSV has the right to reject the purchase order.

❖ Product Delivery & Storage:

Distributor/Stockiest shall inspect the products immediately on receipt to check the quantity and storage conditions and shall inform BSV within 2 hours of u p o n receipt if the cold chain is not properly maintained.

It is the responsibility of Distributor/Stockiest to maintain requisite temperature as specified on product pack purchased /stored by the Distributor/Stockiest at its premises /warehouse /shop/outlet etc.

Distributor/Stockiest should be equipped with following equipments for maintaining product efficiency throughout its life cycle:

- a) Cold room- minimum 2 refrigerators
- b) Air-conditioned room
- c) Deep Freezer
- d) Coolant/Gel packs
- e) Themacol boxes

However, if there is any product complaint due to non-maintenance of Cold Chain or non-compliance of the storage conditions as specified by BSV, the Distributor/Stockiest would be liable for Cost and all consequences & also all untoward expenses for the same for all transactions and use by Doctor or patient, Distributor/Stockiest shall indemnify BSV for any such claims (arising out of improper storage of product at specific temperatures). Further supply to the Distributor/Stockiest will be stopped immediately in such cases.

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❖ Inventory Level:

Distributor/Stockiest shall keep a minimum stock of 2 months average sales of the product.

❖ Stock Return:

BSV shall not accept any saleable stock from the Distributor/Stockiest

BSV shall accept/replace the product only if any quality related issue has raised by doctor/hospital with duly filed complaint letter.

The Distributor/Stockiest shall inform BSV about the unsold expired stock and shall send all such unsold expired stock to the CFA agent with all relevant supporting documents. Distributor/Stockiest shall get the credit note against the expired returned products post verification of all the relevant documents and upon the inspection of expired products. Credit note shall be issues only if stock is received within 180 days of expiry date of products.

❖ Payment terms:

Distributor/Stockiest shall make the payment of first 2 orders by way of Demand draft/RTGS along with the order and for the subsequent orders by way of “at par crossed cheque” at the time of placing the order.

The demand draft/RTGS/at par crossed cheque mentioned above should be separate for each division of BSV.

The credit period for the local Distributor/Stockiest (based within the same municipal or local authority jurisdiction of that of the CFA agent supplying the products to Distributor/Stockiest) is 7 days and for outstation Distributor/Stockiest is 21 days. BSV shall deposit the cheque for payment made by Distributor/Stockiest after the said period and the Distributor/Stockiest shall ensure that it has the sufficient amount in the account so that the cheque issued doesn't returned dishonoured.

If the cheque issued by Distributor/Stockiest returned dishonoured from bank with whatsoever reason, the Distributor/Stockiest shall be liable for a penalty of INR 500/- per cheque bounce and for subsequent supplied the payment term shall change from cheque to RTGS/DD. Further, interest @18% per annum shall be levied on such delayed payment from the due date of the payment until the date of payment.

No amount should be paid or handed over in cash to any of BSV's employee/representatives. In case of loss/misappropriation of cash in such incidence

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shall be responsibility of Distributor/Stockiest and BSV shall not be liable for such loss.

If Distributor/Stockiest wish to make payment through RTGS/NEFT, the same should be done 1 day in advance of due date with prior information to CFA agent.

❖ Restrict Supply of Products:

BSV reserves its rights to restrict the supply of products to the Distributor/Stockiest in case of overdue payment/cheque bounce/non-payment of penalty and interest amount/non-compliance of statutory requirements/non-maintenance of required infrastructure/irregular purchases.

❖ Accounts Ledger:

Distributor/Stockiest shall receive its ledger accounts duly acknowledge from CFA agent. If ledger is not acknowledged within 60 days from the date of the ledger, the same will be considered as acknowledged and accepted. Further all subsequent orders of the Distributor/Stockiest shall be by way of DD until signed and stamped copy of the ledger is received.

❖ Secondary stock & sales data:

The Distributor/Stockiest agrees to timely handover stocks and sales statement and report as required by BSV and in the formats provided by BSV from time to time.

❖ Inspection:

The Distributor/Stockiest shall allow BSV's employee/representative to verify stocks, temperature condition of equipment's, conduct quality audit, check licenses and validity of the licenses.

The Distributor/Stockiest at all times shall allow tracking of secondary sales (i.e sale from Distributor/Stockiest onwards) either by BSV official or by BSV's auditors or by an outside agency appointed by BSV through physical and/or electronic mode. BSV shall ensure that the secondary data required shall be only of BSV's products.

BSV shall have the right to conduct periodic audits of the Distributor's records pertaining to transactions performed on behalf of BSV, including but not limited to supplies made under special pricing, supporting documentation related to credit notes raised on behalf of BSV, and any expenses incurred for medico marketing activities on behalf of BSV. The audits shall be conducted at a mutually agreed-upon time and location during regular business hours and with reasonable prior notice to the Distributor/Stockiest. Distributor/Stockiest shall cooperate fully with the BSV in conducting the audits and provide all necessary access and assistance. Any discrepancies found during the audit if the same cannot be resolved in a timely manner or found violation of ABAC clause, BSV may take appropriate action, including but not limited to termination of Distributor/Stockiest.

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❖ Timely Supply and payment:

Distributor/Stockiest shall collect payments of its sales from market/retailer/doctor by its own and shall not make use of BSV's manpower/resources for the same.

The Distributor/Stockiest shall be responsible for any extension of credit to its customers and collection of such accounts shall be the sole responsibility of the Distributor/Stockiest.

The Distributor/Stockiest shall not use/approach BSV's representative for delivery of the products.

❖ Dispatch of products:

Distributor/Stockiest shall give untiring logistic support for prompt distribution and convey important feedback of the customers received in the field. It is specifically agreed by and between the parties that timely distribution of products is essence of the contract. Storing of these products are to be done in accordance of the storing specification given by BSV or as per the storing instructions on the product from time to time.

❖ Product Quality Complaints:

Distributor/Stockiest shall notify BSV immediately of any customer complaints arising out of quality issues of the products and assist in resolving the same by filing complaint form, in accordance with BSV's instructions; provided however, that Distributor / Stockiest shall take no independent action with respect to the resolution of any such complaints without the prior consent of BSV. BSV shall be responsible to Distributor/Stockiest only for the complaints arising out of the quality of the product.

❖ Waiver:

The waiver by BSV of any breach of any term of these Compliance guidelines shall not preclude BSV from enforcing any subsequent breach of that or any other term and shall not be considered as a waiver of the subsequent breach too.

❖ Confidentiality:

Distributor / Stockiest shall not divulge crucial information of BSV including but not limited to BSV's customers, their preferences, business plans, product information, sales or any other information to anyone.

❖ Termination:

It is specifically agreed by the Distributor/Stockiest that if Distributor/Stockiest is found guilty of misconduct/willful default/negligence or engaged itself in activities against BSV then BSV shall terminate the arrangement without notice with an immediate effect.

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❖ Anti-Corruption:

All corruption, extortion and embezzlement are prohibited. Distributor/Stockiest shall not pay or accept bribes or participate in other illegal inducements in business or government relationships. Distributor/Stockiest shall conduct its business consistent with fair and vigorous competition and in compliance with all applicable anti-trust laws. Distributor/Stockiest shall employ fair business practices, including accurate and truthful advertising.

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