

**MISSION FOR ELIMINATION OF POVERTY IN MUNICIPAL AREAS
(MEPMA)
MA&UD DEPARTMENT, GOVERNMENT OF TELANGANA**

Director,

O/o the Mission
MEPMA,
Telangana State.

CIRCULAR

C. No. E1195/MEPMA-SNC/SNGC/1/2017

Dated:04/04/2023

Sub: MEPMA - Stree Nidhi Credit Cooperative Federation Limited - Financing for setting up of Generic Medical Stores - Applications - Certain instructions issued - Reg.

Ref: 1. Circular No. 23/Credit/Sn/12021-22, Date: 09.02.2022 of the MD, Stree Nidhi Credit Cooperative Federation Limited, Hyderabad.

2. Circular No: 18/SN/Credit/2022-23, dated: 07/11/2022 of the MD, Stree Nidhi Credit Cooperative Federation Limited, Hyderabad.

I invite attention to the subject & reference cited. The Managing Director, Stree Nidhi Credit Cooperative Federation Limited, Hyderabad has informed that it has been decided to finance Generic Medical stores with a loan component of Rs 3.00 lakhs per store preferably in the Towns as a business opportunity to Micro entrepreneurs and ensure viability.

2. The terms and conditions in this regard as mentioned below.

Eligibility:

- Members of SHG affiliated to SLFs with A, B, C and D grades or her family members having D.Pharm/B.Pharm/M.Pharm Degree are eligible.
- In addition to member (or) her family members with D. Pharm/B. Pharm/M. Pharm degree, SHG members may avail loan for establishing "Generic Medical Stores". However, they need to enter an agreement with them which has to be uploaded along with HLP.
- Maximum loan limit is Rs 3,00,000/ within credit limit of a SLF and SHG at the discretion of Stree Nidhi Loan will be available under new product namely the "Generic Stores" under Sowbhagya loans
- All other terms and conditions applicable to Sowbhagya loans are applicable to these loans also.
- SHG members already having "Generic Medical Stores" can also avail

loans to scale up the “Generic Medical Stores” with proper justification.

- All other terms & conditions are communicated in the circular dated: 09/02/2022 & 07/11/2022 by MD, Stree Nidhi are to be followed.

(Enclosed refs. 1st & 2nd)

3. In this connection, all the PDs and MCs are directed to communicate the guidelines to all the ULBs and facilitate the establishment of “Generic Medical Stores” in the premises of Government Hospitals and prominent locations which are suitable.

4. Therefore, the PDs and MCs are here by instructed to take necessary action in this above matter and make the maximum no. of members to utilize the scheme and establish enterprises.

Encl: As above

Dr N Satyanarayana I A S
MISSION DIRECTOR

To
All the PDs, MEPMA for n/a.
All the MCs in the State for n/a.

Copy to all the AC, LBs in the State (except Mulugu) for information.



Stree Nidhi Credit Cooperative Federation Ltd
Department of Rural Development: Government of
Telangana



TFD No: 002/2014

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Plaza, Secretariat Road, Saifabad, Hyd - 63.**

G.Vidya Sagar Reddy, M.Sc(Ag),CAIIB
Managing Director

Ph: 23292090
Fax: 23292003

Circular No. 23 /Credit/Sn/2021-22

Date 09.02.2022

Sub:- Financing for Setting up of Generic Medical Stores

Generic drugs is a drug produced after patent period of active ingredient of a branded drug expires. Generic drugs can be sold under different brand names but will contain the same active ingredient as brand name drug and these are equally safe and have the same efficacy and therapeutic as that of branded drugs. However, the generic drugs are cheaper than branded equivalents as companies producing generic medicines do not incur expenditure on R&D and marketing. Though these generic medicines are in circulation for a long time in the market, price advantage has not been passed to patients as awareness on availability of generic medicines and their efficacy are very low.

2.In view of the above, it has been decided to finance Generic Medical stores with a loan component of Rs 3.00 lakhs per store in the year 2021-22 preferably in the Mandal Head Quarters and Towns as a business opportunity to Micro entrepreneurs and ensure viability . The terms and conditions in this regard as mentioned below.

3.Eligibility

- i. Members of SHG affiliated to VO/SLFs with A, B, C and D grades or her family members having D.Pharm/B.Pharm/M.Pharm Degree are eligible.
- ii. Maximum loan limit is Rs 3,00,000/ within credit limit of a VO/SLF and SHG at the discretion of Stree Nidhi
- iii. Loan will be available under new product namely **“Generic Stores”** under Sowbhagya loans
- iv. All other terms and conditions applicable to Sowbhagya loans are applicable to these loans also.

4.Loan application and authentication: -

After identification of potential borrower, loan application, authentication and appraisal will be done as per the existing procedure for Sowbhagya Loans

5.Documents to be submitted

- i. Proof of registration as a pharmacist with name and registration number with State council.
- ii. A drug license from State Government to run Generic Stores at the time of preparation of HLP.
- iii. A copy of D.Pharm/B.Pharm/M.Pharm certificate may be obtained and uploaded along with all other relevant documents.
- iv. Own space or hired space (minimum of 120 sq. feet) duly supported by ownership or lease agreement for at least loan period. If proposed generic stores to be set up in the premise of Hospital, space allotment letter from competent authority
- v. Quotation for furniture and machinery needed for store.
- vi. VO/SLF resolution and VLR declaration

6.Loan Amount and Economics

Details of loan amount, interest rate, cash flow and repayment period are mentioned in Annexure I for assessing viability of the activity for guidance and summary is given below.

S.No	Particulars	Amount
1	Units Cost	Rs 3,00,000/(Break up in Annexure I)
2	Member Insurance & Coverage	@0.23%per thousand per annum Rs 3450/ for 5 years
3	Loan linked share capital	2.00% of loan amount –Rs 6000
4	Total Loan amount	Rs 3,09,450(1+2+3)
5	Rate of interest	@11% per annum
6	Repayable in	60 EMI including two months gestation period
7	Monthly EMI	Rs 6728/

7.Other Conditions

- i. Applicant shall comply with all statutory requirement for storage of drugs and shall not part with the premise, sub let premises to anyone directly or indirectly and will be responsible for any omission and commission in this regard.
- ii. If license of borrower is cancelled by Government for violation or any reason, he/she shall repay entire Stree Nidhi loan outstanding, immediately.
- iii. We may obtain a letter of undertaking conditions mentioned in para (i) and (ii) above from the applicant at the time of HLP preparation. A draft letter of undertaking will be submitted.

We may also advise the staff about procedure involved in obtaining drug licence and other related information useful to the SHG members in due course.

All the DRDOs, DRDA and Commissioners/Project Directors, MEPMA are requested to propagate the above guidelines to all concerned and facilitate establishment of Generic Stores for the benefit of the people,



Managing Director

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All Project Directors/ PDs, MEPMA, DRDO, DRDA and
Stree Nidhi Staff

Annexure -I

A.Investment Details

Details of approximate cost for setting up a Generic Store and cash flow are furnished below

S. No	Pariculars	Amount (Rs)
a	Fixed Capital	
1	Computer, Software and Inverter	60,000
2	Furniture such as racks and cash counter	75,000
3	Fridge	20,000
b	Working Capital	
4	Initial Stocks of Medicines	1,30,000
5	Operating expenses (Rent,stationery,electricity charges and inward freight charges) for two months @ 15,000/ per month with one employee ,if required.	30,000
c	Total Cost (a+b)	3,15,000
6	Own source	15,000
7 a	Stree Nidhi Loan (Total Cot-Own source)	3,00,000
b	Insurance	3,450
c	Share capital	6,000
	Total Loan	3,09,450

B.Cash flow statement

(Rs)

Month	Avg.Sales per day	Monthly Sales (30days)	Margin@ 30%	Operating expenses	Operating Profit	Loan instalment	Net profit
1	1500	45,000	13,500	15,000*	-1500	0@	0
2	2000	60,000	18,000	15,000	3000	0@	3000
3	3000	90,000	27,000	15,000	12,000	6728	5272
4	4000	120,000	36,000	15,000	21,000	6728	14272

@Two months gestation period.

*If self-managed without employing an assistant, the operating cost will come down

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Stree Nidhi Credit Cooperative Federation Ltd

Department of Rural Development: Government of Telangana

TFD No: 002/2014

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Hyderabad- 500 063.



G. Vidya Sagar Reddy, M.Sc. (Ag), CAIIB.
Managing Director

Ph: 23292090

Fax: 23292003

Circular No: 18 /SN/Credit/2022-23

Dated: 07/11/2022

CIRCULAR

Sub: Stree Nidhi-Financing for establishment of "Generic Medical stores" FY-2022-23, certain relaxations/ clarifications in eligibility criteria regarding.

Ref: Circular No - 23/ Credit/ SN/ 2022-23 dates 09/02/22

To remove operational difficulties in financing of "Generic Medical stores" the following relaxations/modifications are made in eligibility criteria.

- I. In addition to member (or) her family members with D. Pharm/ B. Pharm/ M. Pharm degree, SHG members may avail loan even if their friends and relatives have above qualifications required to establish "Generic Medical stores". However, they need to have an agreement with them for the purpose covering loan tenure. This agreement has to be uploaded along with HLP.
 - II. SHG members already having "Generic Medical stores" can also avail loans to scale up the "Generic Medical stores" with proper justification.
2. All other eligibility criteria, terms & conditions and list of documents to be submitted will be as communicated vide above circular dated 09/02/2022.

Managing Director