

Tele: 25683476

Central Organisation ECHS  
Integrated HQ of MoD (Army)  
Adjutant General's Branch  
Thimayya Marg  
Near Gopinath Circle  
Delhi Cantt-110010

B/49762/AG/ECHS/2025

03 Apr 2025

All Regional Centres (ECHS)

**ADVISORY : AUTHORISED LOCAL CHEMISTS**

1. Please refer CO ECHS letter No B/49769/AG/ECHS dated 16 Aug 2024.
2. It is observed that ALCs are not supplying all medicines to ECHS beneficiaries causing harassment to them. Some ALCs are indulging in malpractice by intentionally not supplying medicines but giving medicines on cash payment directly /indirectly to patients against NA certificate which is more profitable to them.
3. It is intimated that there are sufficient guidelines under ECHS/CGHS to penalise/disempanel such vendors as per Para 9 and 12 of Annexure 'B' of CO ECHS letter No B/49769/AG/ECHS dated 16 Aug 2024.
4. The following important guidelines are to be considered in case of any default done by ALC vendors :-
  - (a) In case of emergency, the indented drugs shall be delivered at the residence of the patient as directed by OIC of the ECHS Polyclinics.
  - (b) In the event of non-supply or late supply of indented medicines, an item-wise penalty @ Rs 100/- shall be levied, for every instance of non-supply/delayed supply (e.g. for non-supply/delayed supply of Cap. Amoxicillin (item) indented for 10 beneficiaries in a day, penalty of Rs. 100/- will be levied for each of the BENEFICIARIES for each day of delayed supply). The ALC on his own shall supply the remaining medicines at the earliest and penalty for each day of delayed supply shall be levied on the ALC.
  - (c) Incase the supplier fails to supply indented drugs/medicines, then ECHS / beneficiary will be entitled to procure the same from any other chemist and will submit the claim for reimbursement and will be taken from the vendors bill payment. The vendor has to supply all medicines at the discount. They cannot refuse or has to give a authentic reason for not supplying in case of a force majeure.
  - (d) The difference of MRP and price after deducting discount offered by the ALC, will be deducted from the future bills/ Performance Security of the ALC concerned by Station Commander in addition to penalty of Rs.100/- for each drug item (e.g. for non-supply/delayed supply of Cap. Amoxicillin (item) indented for 10 beneficiaries in a day, penalty of Rs. 100/- will be levied for each of the BENEFICIARIES for each day of delayed supply). Under no circumstances shall the Authorized Local Chemist reimburse cash to any beneficiary against bills submitted for "indented but not supplied medicines".

(e) Sufficient stock of standard quality of medicines at all times will have to be maintained by the chemist, to avoid inconvenience to the ECHS beneficiaries. In case of failure or refusal on chemist's part to supply the medicines to the purchaser/beneficiaries within the time as provided in the relevant clauses of this Tender document, the contract is liable to be terminated /cancelled at chemist's risk and cost. Any additional cost involved in arranging supply from alternative source will be recovered from the chemist.

(f) The medicines/drugs to be supplied shall be of standard quality. In case it is found that a drug/ medicine is expired or is near the date of expiry, found not of standard quality, substandard or spurious, supplier's (Appointed Authorized Local Chemist) firm will be liable to be debarred for a period of 3 years besides other legal action that may be initiated against them as per law. The chemist will ensure that the medicines are transported and supplied to the Polyclinics while maintaining the conditions as specified.

5. There is a requirement of sensitizing all stakeholders and implement these favourable guidelines strictly in beneficiaries' favour. The provision of home delivery of medicine is extremely useful for bed ridden beneficiaries. Provisions for imposing penalties can act as deterrent to tendency of defaulting.

6. If these provisions are correctly implemented it can drastically bring down self purchase of NA medicine by beneficiaries, make the scheme more economical and elevate satisfaction level of beneficiaries.

7. If the ALC limit is finished additional funds can be asked from Dir, P&FC at Central Org ECHS.

8. For your info and necessary action please.



(Sri Kant Kumar)  
Lt Col  
Offg Jt Dir (Med & Eqpt)  
For MD ECHS



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Central Organisation ECHS  
Integrated HQ of MoD (Army)  
Adjutant General's Branch  
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Delhi Cantt-110010

B/49761/AG/ECHS/Medicine Policy

31 Mar 2023

HQ Southern Command (A/ECHS)  
HQ Eastern Command (A/ECHS)  
HQ Western Command (A/ECHS)  
HQ Central Command (A/ECHS)  
HQ Northern Command (A/ECHS)  
HQ South Western Command (A/ECHS)  
HQ Andaman & Nicobar Command (A/ECHS)  
All Regional Centres

**ADVISORY : AUTHORISED LOCAL CHEMISTS**

1. Please refer the following :-
  - (a) CO ECHS letter No B/49762/AG/ECHS/Policy dt 11 Jul 2018.
  - (d) CO ECHS letter No B/49762/AG/ECHS dt 13 Jul 2022.
2. Refer Para 4 (e) of ibid ref letter in Para 1 (a), " The Jan Aushadhi Stores may be considered as deemed empanelled with ECHS as Jan Aushadhi Stores are essentials component of Prime Minister Jan Aushadhi Scheme. MoA can be signed with these stores".
3. There is no requirement of any discount on rates of Jan Aushadhi generic medicines from Jan Aushadhi Kendras as ALC. MoA can be signed to purchase generic medicines of JAKs at Jan Aushadhi rates only. In view of above, all Stn HQs should sign contract with Jan Aushadhi Kendras accordingly.
4. This advisory may be circulated to all ECHS Polyclinics and Stn HQs.



(Panchal Kalpeshkumar S)  
Lt Col  
Jt Dir (Med & Eqpt)  
For MD ECHS

**Copy to :-**

DGAFMS/DG-3A

DGMS (Army)/ DGMS – 5 (B)

DGMS (Air Force) (Med-7)

DGMS (Navy)/ Dir ECHS (Navy)

HQ Cost Guard Veteran Cell  
(Email –cgvcpers@indian cost guard.nic.in)

AMA ECHS, Embassy of India, Nepal

UTI-ITSL

Surabhi Arcade, 1<sup>st</sup> Floor  
5-1-664, Bank Street,  
Hyderabad-5000001

- for your info pl.

**Internal**

Ops & Coord, Claim Sec - for info pl.  
P & FC Sec

Stats & Automation Sec - for uploading this letter on ECHS website.

Tele 25683476

Mil:36833

Central Organisation ECHS  
Adjutant Generals Branch  
Integrated Headquarters  
Ministry of Defence (Army)  
Thimayya Marg  
Near Gopinath Circle  
Delhi Cantt -110010

13 Jul 2022

B/49769/AG/ECHS

IHQ of MoD (Navy)/Dir ECHS (N)  
DAV, Subroto Park  
HQ Southern Command (A/ECHS)  
HQ Eastern Command (A/ECHS)  
HQ Western Command (A/ECHS)  
HQ Northern Command (A/ECHS)  
HQ Central Command (A/ECHS)  
HQ South Western Command (A/ECHS)  
HQ Andaman & Nicobar Command (A/ECHS)  
All Regional Centers

**ADVISORY: AUTHORISED LOCAL CHEMISTS**

1. Please refer:-

- (a) Govt of India (MoD/ DoESW) letter No 22D(01)/2016/US/WE/D(Res) dated 30 Jun 2022.
- (b) CO ECHS letter No B/49761/AG/ECHS/Medicines Policy dated 06 Jul 2022.
- (c) CO ECHS letter B/49792/ALC policy/AG/ECHS dated 25 Jul 2019.
- (d) CO ECHS letter B/49762/AG/ECHS Medical Policy dated 07 Jan 2019.

2. Provision for contracting an Authorized Local Chemists (ALC) was introduced to increase the availability of medicines for the ECHS beneficiaries. The medicines which are not available in the ECHS Polyclinics can be demanded from the ALC and issued to the beneficiaries who have been prescribed the same.

3. It has been observed with concern that while on one hand there are numerous complaints about non availability of medicines and on the other the polyclinics are not utilizing the authorised ceiling limits for procurement of NA medicines from ALC. A large amount of funds authorised for ALC remained unutilized and had to be reappropriated to other heads.

4. The monetary ceiling for expenditure of polyclinics has been enhanced by 100%, vide Govt of India (MoD/ DoESW) letter No 22D(01)/2016/US/WE/D(Res) dated 30 Jun 2022 as follows: -

- |     |                       |   |                      |
|-----|-----------------------|---|----------------------|
| (a) | Type A & B Polyclinic | - | Rs 5 Lakh per month. |
| (b) | Type C Polyclinic     | - | Rs 3 Lakh per month. |
| (c) | Type D Polyclinic     | - | Rs 2 Lakh per month. |

5. In order to ensure optimal utilization of ALC funds, an achieve increased satisfaction levels, following measures are suggested : -

(a) The polyclinics will endeavour to demand all NA medicines which are NA and not be selective in demanding the medicines from ALC. The laid down instructions for issue of vitamins and supplements will be adhered to. Every effort should be made to demand maximum medicine from the ALC. NA should only be an exception.

(b) Medicines procured from ALC should be issued to the beneficiaries for one month duration instead of 15 days. For those patients who have to travel long distances, residents of hilly and remote areas, bed ridden patients and patients above 80 years old, medicines for 90 days can also be given through ALC.

(c) Jan Aushadhi Stores are considered deemed empanelled. MoU should be executed with them. Medicines can be purchased from and should be used to the maximum as ALC.

6. If the monetary ceiling limit of a polyclinic for procurement of drugs & consumables from ALC needs to be increased, approval will be accorded by MD ECHS. Stn HQ can approach Dir(P&FC) at CO ECHS for increase in the monetary ceiling for expenditure as per format given in Appx A of B/49792/ALC policy/AG/ECHS dated 25 Jul 2019. The request to increase of ceiling is to be fwd to through email on dirpfcechs-mod@nic.in.

8. This has the approval of MD ECHS.



(A C Nishil)  
Col  
Dir(Med)  
For MD ECHS

**Copy to: -**

MoD/DoESW  
CGDA  
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SDCPL

For Info pl

**Internal**

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