



OFFICE OF THE MISSION DIRECTOR
NATIONAL HEALTH MISSION, ASSAM

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No. NHM-18017/ 14/ 2020-PROC-NHM/ ECF-139897/ 25871

Date: 18/3/21

From: Dr. Lakshmanan S, IAS
Mission Director
National Health Mission, Assam

To,

M/S Halewood Laboratories Pvt. Ltd.
Plot No. 319/320, Phase-ii, GIDC, VATVA, Ahmedad-382445
Email: info@halewoodlabs.com

Sub: - Debarment notice for default in supply of ordered quantity of Tab Azithromycin 500 mg

- Ref:** 1. TENDER REFERENCE NO: NHM/PROC/RC-CAN-NS-DRUGS/3819/31401, DT.5.3.2019 & CORRIGENDUM NO. NHM/PROC/RC-CAN-NS-DRUGS/3819/31401/32558, DT.14.3. 2019
2. P.O No: NHM-18011/ 3/ 2018-PROC-NHM-Part (29)/ECF-107298/SPO-12392, DATE. 27.3.2020. & NHM-18011/ 3/ 2018-PROC-NHM-Part (29)/ECF-107298/SPO-12375, DATE. 27.3.2020.
3. Letter from Halewood received at NHM-SHQ on May 2nd 2020 stating inability to supply Tab Azithromycin 500 mg against awarded PO.
4. Notice served to Halewood Laboratories from NHM, Assam vide letter no. NHM-18017/14/2020-Proc-NHM/ECF-139897/77-P, Date. 30/05/2020.
5. Reply letter from Halewood Laboratories received at NHM-SHQ on 19.10. 2020 & 26.11.2020 stating inability to supply Tab Azithromycin 500 mg.
6. Final Show cause letter served to NHM-18017/ 14/ 2020-PROC-NHM/ ECF-139897/20934, Dt. 4/11/2020.

Sir,

With reference to above subject, it is to inform you that you have quoted the L-1 rate for the Tab Azithromycin 500 mg against the tender under reference above at Pt.no.1. Accordingly, NHM, Assam has issued the supply orders to your company under reference at Pt. no.2 above and you have also entered into rate contract with NHM, Assam for supplying the same.

On May 2nd 2020, a letter has been received from your end stating that you were not in a position to supply the Tab Azithromycin 500 mg due to non-availability of raw materials for these drugs, where these drugs are absolutely essential during the basic treatment & antibiotic therapy of different ailment as well as also in the treatment of COVID-19 positive cases.

Hence a notice was served to you vide letter under reference above at Pt. no. 4 above mentioning you the penal clauses on non-supply.

Your casual approach in this regard by submitting a simple letter that you will not going to supply Tab Azithromycin 500 mg, doesn't serve the purpose of the rate contract, you have signed with NHM, Assam and also against the relevant clauses of the tender under reference. Your non execution of the contract provisions are causing hindrance in public service, especially during the treatment of COVID-19 patients.

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You have also enclosed in your letter a Central Govt. notification (vide No.F. 18/4/2020-PPD, New Delhi Dated the 13th May 2020 on Force Majeure Clause & on the basis of the same you have requested to cancel your supply order for Tab Azithromycin 500 mg but in the said clause it was clearly mentioned that due to COVID-19 pandemic there should be extension of delivery period for minimum 3 months & maximum 6months but the said notification didn't mentioned that non supply of life saving essential drugs by the empanel company should be entertained.

Hence, final show cause letter was served to your firm on 4/11/2020 vide letter under reference at pt. 6 above where it was clearly mentioned about the contractual obligations and penalty clauses of the referred tender including product debarment also necessary penal provisions was described as below to your firm against non execution of supply of essential drug Tab Azithromycin 500 mg.

Tender clause no. 5.11 "ALTERNATIVE PURCHASE" and sub clause no. 5.11.1: "If the empaneled supplier fails to execute the supply within the stipulated time, NHM, Assam is at liberty to make alternative purchase of the items of drugs and medicines for which the Purchase Orders have been placed from any other sources (such as Public Sector undertakings at their rates, empaneled bidders, and bidders who have been technically qualified in the said bid) or in the open market even at higher rates at the risk and the cost of the supplier and in such cases NHM, Assam shall have every right to recover the cost and impose penalty, apart from termination of the contract for the default" and sub clause no. 5.11.2: "In the event of making ALTERNATIVE PURCHASE, the supplier will be imposed penalty apart from forfeiture of Security Deposit. The excess expenditure over and above contracted prices incurred by the NHM, ASSAM in making such purchases from any other source or from the open market shall be recovered from the Security Deposit or from any other money due to the supplier and in the event of such amount being insufficient, the balance will be recovered personally from the supplier or from his properties, as per rules."

Tender clause 5.6 "Delivery, Shortage & Delay Penalty"-sub clause 5.6.1 "In case there is delay in delivery beyond the stipulated period as mentioned in the purchase order, there shall be penal deduction @ 0.5% of the value of delayed goods per week of delay or part thereof subject to a maximum of 10% of the total order value" and 5.6.2 "Once the maximum price reduction is reached, termination of the contract may be considered. Non-performance of the contract provisions shall make the successful bidder liable to be disqualified to participate in any tender for the next 5 years, in addition to forfeiture of Security Deposit and other penal actions".

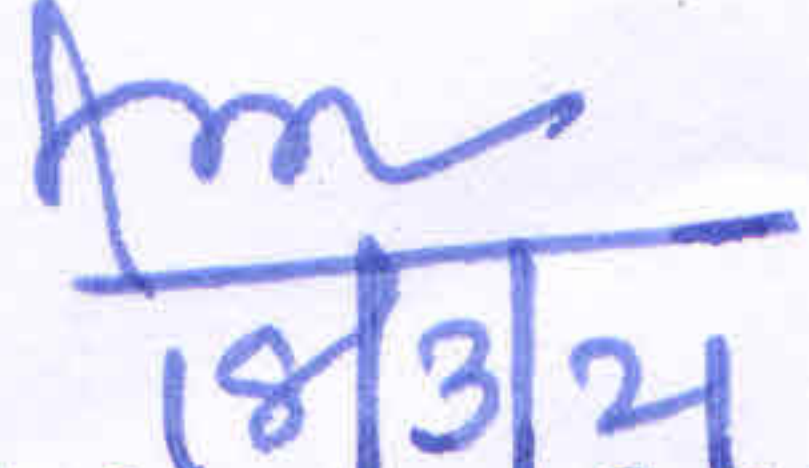
But instead of arranging/execution of necessary supply, you were again & again submitting the prayer to cancel the supply order & not to take action against your firm.

But your such negligence in terms of supply the essential lifesaving drug like Azithromycin 500 mg Tab resulted patient discomfort & increased the out of pocket expenditure of the patient community attended Govt. hospitals of the state of Assam & Govt. programme of providing free drug service at peripheral Hospitals under Govt. was also hampered badly.

Hence, in the greater public & patient interest your company i.e M/S Halewood Laboratories Pvt. Ltd. is hereby debarred for the product **Tab Azithromycin 500 mg** for a period of 1 year (from the date of intimation) from any further tender of NHM, Assam as per contractual obligation for non-execution of supply orders of essential drug i.e Tab Azithromycin 500 mg.

This is for your information.

Yours sincerely,


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Dr. Lakshmanan S, IAS
Mission Director, NHM, Assam

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Memo No. NHM-18017/ 14/ 2020-PROC-NHM/ ECF-139897/ 25872-82 Date: 18/3/21

Copy to the:

1. Sr. Principal Secretary to the Govt. of Assam, Health & FW for kind information.
2. Principal Secretary to the Govt. of Assam, Health & FW for kind information.
3. Principal Secretary, all Autonomous Council & Deputy Commissioner, all Districts for information.
4. Managing Director, AMSCL, Assam for information.
5. Executive Director, NHM, Assam for information.
6. Director Medical Education, Assam for information.
7. Director Health Services, Assam for information.
8. Principal cum Chief Superintendent/ Superintendent, all Medical Colleges for information.
9. Jt. Director Health Services, all Districts for information.
10. M.O i.c/DPM/DDSM/, all Medical Colleges/Districts for information.
11. Director Finance, NHM, Assam for information.

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Mission Director, NHM, Assam