

OFFICE OF THE MANAGING DIRECTOR
ASSAM MEDICAL SERVICES CORPORATION LIMITED
Central Drug Ware House Campus, Patherquery, Narengi, Guwahati, Assam-781026
Email id: md-amscl@assam.gov.in

No. NHM/18017/30/2018-PROC-NHM/ECF-77425/

7444

Date: 16.07.22

From: Dr. Robin Kumar, IPS
Managing Director
AMSCL, Assam

To: Scott-EDIL Advance Research Laboratories & Education Ltd.
28/6, Industrial Area Phase-II, Chandigarh-160002

Sub: - Product debarment notice for non-completion of supply of ordered drugs Amoxycillin 500 mg+ Clavulanic acid 125 mg Tablet and Cefixime 200 mg Tablet

Ref: -

1. P.O. No. AMSCL/DRUGS PROCUREMENT/DIST/2021-22/ECF:180423/2020102380636, Dt. 05-12-2021.
2. Tender No: I) NHM/18017/33/2020-/18017/31/2019-PROC-NHM/8328, Dated -05/07/19 and Corrigendum No. NHM/18017/31/2019-PROC-NHM/18485, DATE:16/10/19 & II) NHM/18017/33/2020-PROC/ECF 142502/11192, Dated.08/07/2021 & Corrigendum No. NHM/18017/33/2020-PROC/ECF 142502/11192/ 121(P), DATE: 02/08/2021.
3. Communication made with your company via mails on dated: 21/05/2022 for making necessary supply.
4. Letter from your end on 25/05/2022 regarding your inability to supply.
5. Show Cause Notice served to your company for non-completion of supply vide letter no. NHM/18017/30/2018-PROC-NHM/ECF-77425/3826, Dated 28/6/22.
6. Reply received from your company on 13.07.2022 stating your inability to supply due to constraint of raw materials.

Sir,

With reference to the subject cited above, I am to inform you that M/s Scott-EDIL Advance Research Laboratories & Education Ltd. had taken part in the referred tenders (at above Pt.2) and selected as L1 bidder for Tab. Amoxycillin + Clavulanic Acid 625 mg & Tab. Cefixime 200 mg and subsequently Letter of Intents (LoI) was issued and you had entered into Rate Contract (RC) with NHM, Assam & AMSCL, Assam.

Accordingly, Purchase Order was placed vide PO under reference at above Pt.1 for supply of essential drugs Tab. Amoxycillin + Clavulanic Acid 625 mg and Tab. Cefixime 200 mg. But it was found that supplies were not completed within the contractual delivery time of 60 days from the day of placing of PO as well as within the period with maximum liquidated damage charges (currently it is calculated to be approx. 21 weeks from the date of placing of P.O). The contractual delivery period of supply without penalty as well as with penalty has already been completed in your case.

Efforts were made by sending reminder mail to you from this office (as referred above at Pt. 3), but you did not start the supply and rather submitted a letter stating that due to constraint in

availability of raw materials because of increase in price of raw materials the supplies could not be completed.

In view of the exigency of these essential antibiotics at the field level, especially during the flood calamities where the demand of all such drugs are very high as these are the drug of choices in different infections and also these drugs are widely used in post-operative cases, undersigned had no option but to issue a show cause notice to your company vide letter under reference on 28/6/2022 where it was informed to your company to submit a reply by 3 days with tentative plan to execute the supply by 2 weeks & it was mentioned in the letter very clearly that upon non supply administrative penalties as well as financial penalties will be levied including product debarment, forfeiture of performance bank guarantee & deduction of the differential amount from your outstanding bill in the event of making alternative purchase. In addition to this, the penal provisions of the Tender were also highlighted which are detailed below:

5.6 Delivery, Shortage & Delay Penalty

- 5.61. 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. Once the maximum price reduction is reached, termination of the whole contract will be considered.
- 5.62. 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.

5.11 Alternative Purchase

- 5.11.1 If the empanelled 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, empanelled 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.
- 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.
- 5.18.2 Pt. (3): Where the supplier has rate contract for three (3) or more drug items and debarred for a minimum of three drug items:
- **Firm Debarment:** The firm shall be black listed and debarred from participating in any tender for any drug item(s) issued by the TIA for 3 (three) years from the date of intimation.
 - **Forfeiture of Performance Security:** In addition to firm debarment the entire performance security deposited by the supplier shall be forfeited and apportioned towards financial penalty."

But instead of necessary arrangement to execute the supply of ordered drugs from your end, you have replied that due to unavailability of raw materials/higher price of raw materials, you are unable to supply. But due to contractual obligations, such reply cannot be accepted from your company as

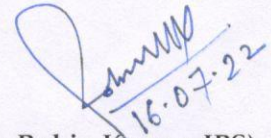
these drugs are urgently required in peripheral hospitals under Govt. & non-supply from your end has resulted huge patient discomfort & increases in the out-of-pocket expenditure.

In spite of giving scope to complete the supply, your company failed to execute the supply of ordered essential drugs causing suffering to public, hence in the greater public & patient interest, **your company Scott-EDIL Advance Research Laboratories & Education Ltd. is hereby disqualified to participate in any tender of AMSCL, Assam/ NHM, Assam for next 5 (five) years for Tab. Amoxycillin + Clavulanic Acid 625 mg & Tab. Cefixime 200 mg from the date of issuing the notice as per referred tender clause 5.6.2 "Delivery, Shortage & Delay Penalty".**

In addition to the product debarment, the performance security deposited against the value of the said product will be forfeited & if it will be found that you didn't submit any performance security for the said product than the value of performance security will be deducted from any of your outstanding bill.

Please be noted that in the event of making ALTERNATIVE PURCHASE, you will be imposed penalty of excess expenditure made over and above contracted prices in making such purchases and will be recovered either from the Security Deposit or from any other money due/ outstanding payment and in the event of such amount being insufficient, the balance will be recovered personally from your company.

This is for favour of your information.



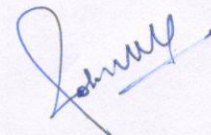
(Dr. Robin Kumar, IPS)
Managing Director, AMSCL, Assam

Memo No. NHM/18017/30/2018-PROC-NHM/ECF-77425/ 7445-57

Date: 16.7.22

Copy to the:

1. Principal Secretary to the Govt. of Assam, Health & FW for kind information.
2. Principal Secretary, all Autonomous Council & Deputy Commissioner, all Districts for information.
3. Mission Director, NHM, Assam for kind information.
4. Director Medical Education, Assam for information.
5. Director Health Services, Assam for information.
6. Executive Director, NHM, Assam for information. He is requested to direct MIS-Manager, NHM, Assam for uploading the debarment notice in NHM, Assam website.
7. Principal cum Chief Superintendent/ Superintendent, all Medical Colleges for information.
8. Drug Controller, Assam for information.
9. Director Finance & Accounts, NHM, Assam & AMSCL, Assam for information.
10. Jt. Director Health Services, all Districts for information.
11. M.O i.c./DPM/DDSM/Pharmacist, all Medical Colleges/Districts for information.
12. Manager-MIS, NHM, Assam/ Manager (IT), AMSCL for uploading the debarment notice in the website.
13. P.S to the Hon'ble Minister, Health & FW for kind information to the Hon'ble Minister.



Managing Director, AMSCL, Assam