



CENTRAL MEDICAL SERVICES SOCIETY

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Email ID: gmproc1@cmss.gov.in; agmproc2@cmss.gov.in;

Ref: CMSS/PROC/2023-24/NTEP/042/ 704

Dated - 29/07/2024

To,

M/s Centurion Laboratories Pvt. Ltd.
Plot No.- G/6, B.I.D.C, Gorwa Distt.
Vadodara-390016, Gujarat, INDIA

Subject: Order for debarring, blacklisting M/s Centurion Laboratories Pvt. Ltd. for a period of 2 years for participating in CMSS Tenders.

- Reference:** 1. Show Cause Notice (Ref No. CMSS/PROC/2023-24/NTEP/042/656, dated 17/05/2024) issued by CMSS to M/s Centurion Laboratories Pvt. Ltd.
2. M/s Centurion Laboratories Pvt. Ltd. reply to the Show Cause Notice vide letters 31/05/2024 and 14/06/2024
3. Letter (Ref No. CMSS/PROC/2023-24/NTEP/042/, dated 08/07/2024) issued by CMSS for cancellation and forfeit the performance security.
4. M/s Centurion Laboratories Pvt. Ltd. acceptance of cancellation of order for 2nd and 3rd tranche and forfeiture of Performance Bank Guarantee dtd. 11/07/2024.
5. Show cause Notice (Ref No. CMSS/PROC/2023-24/NTEP/042/680, dated 12/07/2024) issued by CMSS to M/s Centurion Laboratories Pvt. Ltd.
6. Minutes of the personal hearing held on 16/07/2024 with M/s Centurion Laboratories Pvt. Ltd. against the Show Cause issued on 12/07/2024

Dear Sir/Madam,

1. With reference to Tender no. CMSS/PROC/2023-24/NTEP/042. Purchase Order for 1,74,44,160 strips (strip of 28 tablets) was awarded to M/s Centurion Laboratories as per following Delivery schedule:

PO No.	Quantity (Strips)	Order Value (Rs.)	Delivery Schedule from LOA Date
CMSS/PROC/2023-24/NTEP/042/003	1,74,44,160	226,47,82,270.4670	Tranche 1 within 60 days from date of issue of LOA i.e. up to 30/04/2024



			Tranche 2 within 61-90 days i.e. up to 30/05/2024 Tranche 3 within 91-120 days i.e. up to 29/06/2024 Tranche 4 within 121-150 days i.e. up to 29/07/2024 Tranche 5 within 151-180 days i.e. up to 28/08/2024 Tranche 6 within 181-210 days i.e. up to 27/09/2024
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2. For Purchase Order No. CMSS/PROC/2023-24/NTEP/042/003, the supplier did not supply the item within delivery schedule and significantly delayed the supplies within scheduled delivery period of 30/04/2024, the supplier didn't make any supplies. An extension of 30 days was given to supplier but the supplier again failed to supply the DSTB CP (A) within extended delivery period till 31/05/2024. Thereafter, two more extensions have been given each for 30 days (till 31/07/2024). However, the supplies have not been completed. The latest supply status is as under:

PO. No.	LOA Date	Lot	Quantity (in Strips)	Last Date of Delivery	Extended Deliv	Quantity Supplied (in Strips)
10282400059	01-03-2024	1	3256243	30-Apr-24	31-July-24	927840
		2	3256243	30-May-24	NA	0
		3	3256243	29-Jun-24	NA	-
		4	3256243	29-Jul-24	NA	-
		5	3256244	28-Aug-24	NA	-
		6	1162944	27-Sep-24	NA	-
TOTAL			1,74,44,160			927840

3. From above table, it is observed that M/s Centurion Laboratories Pvt. Ltd. has supplied only 9,27,840 Strips of DSTB CP(A) as against ordered quantity of 3256243 strips for Tranche-1 till date. Whereas, as per contract terms and conditions, you should have completed supplies of all the four tranches i.e. I, II, III & IV by 29/07/2024
4. Various levels of review meetings were held with you and in every meeting, you committed a new date for supply due to API issue. A review meeting under the chairmanship of DG and CEO CMSS was held on 04/04/2024 wherein the supplier was instructed to initiate the supplies immediately. Various other meetings were held with the supplier and also at the highest level, but the supplier failed to deliver the goods.
5. A show-cause notice was issued on dated 17/05/2024 by CMSS to M/s Centurion Laboratories Pvt. Ltd. to provide detailed explanation till 22/05/2024 to take appropriate actions as per tender clause no. 13.6, 14.3 (a), 18.1 and 20.2 of tender document to short



close the Purchase Order at the risk and cost of the defaulting vendor, to forfeit the performance security and debar/blacklist the supplier.

6. The supplier submitted reply vide email dated 22/05/2024. The response submitted by the supplier was not satisfactory as the supplier requested for another extension in Tranche 1 supplies till 10/08/2024 and 60 days for subsequent tranches. Hence, the supplier was called for personnel hearing on 31/05/2024.

7. **On 31/05/2024, the supplier informed the following:**

"With ref to our earlier letters and mails and last reply of your show cause notice, we are thankful to you for giving personal hearing today. As informed by us from beginning that we will not be able to supply this drug fully as per schedule, we request you to consider shortage of API & we will supply this drug maximum possible about 45000 /50000 strips per day I e 2.7 to 3 lakhs strips per week (about 10-12 lakhs strips per month and rest of requirements may be covered by you from L2 or other bidders so that patients do not suffers.

We request not to blacklist us to continue our supply so that you will get some relief of supply condition at cheaper price and provide some relief to patients as anyone supplier will not be able to supply such large quantities & it will create shortage. Again, PDI for one lot as informed by us is done today and it will continue as above so please consider our request not to blacklist us which will affect total supply from us for this and other TB & HIV drugs also We promise to improve supply conditions of all these drugs. We hope you will consider our request sympathetically for mutual benefit and oblige us".

8. Letter Dtd. 14/06/2024 by M/s Centurion Laboratories Pvt. Ltd. received and informed the following:

With reference to yesterday's meeting with our Directors, please note that we will offer PDI for this drug 1st tranche 462000 strips till 20.06.2024. In addition to 94000 strips were already supplied on dated 31.05.2024 to CMSS-Ahmadabad ware house for which e-Aushadhi receiving is pending. And we have offered PDI on 10.06.2024 for 126600 strips but till today PDI confirmation is pending, may be due to extension not given.

*We can also further offer PDI on the basis of Raw Material and Packing material ready stock of 423000 strips till 25.06.2024 & 423000 strips on 30.06.2024 and 235000 strips on dated 07.07.2024. So total 1763600 strips will be completed till 07/07/2024. **Due to shortage of API other bidders who got the order before us covered the API hence we could arrange API from May'2024 so we could start production late. We can complete I' tranche on 31.07.2024 & rest of each tranche can be completed in further 60 days as we have already given orders for raw materials & packing materials to be received within the required time.***

If you invite new risk purchase tender then also it will take 3 months to finalize the tender formalities which will create shortage of medicine during this period & supply from new bidder may take other 6 months so total 9 months will be required for total supply. As well as new rates will be very higher and it will become unnecessary expenses.

Actually your requirement is for whole year but tender supply asked was too short in just 6 months. We hope you will consider our request to supply further drugs with extension of further 60 days for each tranche from now onward and co-operate us. Otherwise we will be financially in trouble due recovery of risk purchase.

We are very sorry for delay supply due to shortage of API as informed to you by our various mails & letters since March'24. Also please look our past tender ANTI TB supply which is all are within time line.



Once again expecting your co-operation and our assurance to avoid non-availability during the period new tender is finalized.

9. With reference to the subject mentioned above, it is informed that the reply of show cause notice submitted by you vide letter & email dated 31/05/2024 and 14/06/2024 was examined by the competent authority and it was decided to cancel the order for tranche-2 and 3 unsupplied quantity and also forfeit its PBG for default in supplies. However, it was informed that you may continue to execute the remaining contract i.e. other tranches. Accordingly, the deliver period of 1st tranche was extended upto 31/07/2024 with applicable LD and denial clauses, for which a separate amended Purchase Order was issued to your firm on 12/07/2024. CMSS decision was communicated to you vide letter dated 08/07/2024. The same has been accepted by you vide your letter No. CLPL/CMSS-042/24-25/03 dtd. 11/07/2024.
10. In conspectus of the factual position set out hereinabove, it is clear that your firm has failed to abide by the Delivery Schedule in respect of PO No. 10282400059. The stipulated date for completion of supplies against Tranche-I was 30/04/2024. However, the supplies have not been completed till date, notwithstanding CMSS granting two extensions to the delivery date by way of Amendments to the aforesaid PO dated 01/05/2024, 26/06/2024 and 12/07/2024. Moreover, Centurion has not communicated a firm date for completion of supplies, requesting an extension of 30 days by emails dated 01/06/2024, 03/06/2024 and 04/06/2024, followed by a request for extension by 120 days vide communication dated 08/06/2024 for supplying drugs in respect of Tranche-I.
11. Your Firm by its communications dtd. 31/05/2024 has admitted that you would not be able to complete supplies within the stipulated delivery schedule and has accordingly, requested CMSS to foreclose Tranche-I & Tranche-II and procure the corresponding quantity from the L-2 bidder or any other bidder.
12. From the communications issued by your firm and its conduct, it is apparent that you did not had the requisite facility in place to meet the supplies as per the delivery schedule. Also, Your Firm has in several communications admitted that it does not have sufficient supplies of APIs to manufacture DSTB. Accordingly, the schedule for delivery proposed by your firm in its communication dated 22/05/2024 shows that it would only be able to complete supplies by August 2025 as opposed to the outer limit for delivery of tendered drugs being 27/09/2024 as per the PO. Thus, resulting in significant delay, of close to a year, in completing supplies. As per clause 18.4 of tender documents which states that *"Timely supply is the essence of contract/ Purchase order. The drugs/medicines/items ordered are meant for key National programmes & delay in supply can have the adverse impact on patients can derail the critical National level Disease Control Programme."* As such you should have had the necessary supply chain and production capabilities prior to participating in the Tender.
13. Please note the significant delays in supply resulted into crisis in Anti TB Drugs among patients and hence, severely affected the National Programme. Please note that Pradhan Mantri TB Mukh Bharat Abhiyaan is initiated with the target that TB will be eliminated



from INDIA till 2025 which cannot be possible without supply of essential drugs to the patients.

14. To run the National programme and your non supply issues, CMSS had to float a Limited Tender for the subject drug i.e. DSTB CP (A) which resulted into huge losses to exchequer by giving additional Purchase Order through limited tender at higher rates.
15. Tender provisions in case of default in supplies as under:

5 vi -(b) If any fraud, short supply of goods is detected on part of the bidder at any stage, the bid or work order/ Purchase order issued to the bidder is liable to be cancelled and further necessary action against the bidder including debarring/blacklisting will be taken.

xi. Purchaser reserves the right to debar/ blacklist a bidder for a suitable period in case he fails to honour his bid/contract without sufficient grounds.

14.3(a) The supplier shall supply the ordered quantity within minimum required period of 60 days (or as mentioned in LOA/PO) from the date of award at the destinations mentioned. If the above day happened to be a holiday for CMSS, the supply should be completed by 5.00 PM on the next working day. In case of non-execution of the order either partially or fully, CMSS reserves the right to cancel the purchase order or place fresh purchase orders on alternative source at the risk and cost of the default supplier. In such cases the CMSS, has every right to recover the cost and impose penalty including blacklisting of the supplier and the product.

18.4 Timely supply is the essence of contract/ Purchase order. The drugs/medicines/items ordered are meant for key National programmes & delay in supply can have the adverse impact on patients can derail the critical National level Disease Control Programme.

For each lot/tranche, the delivery schedule (dates) are mentioned in the LOA/PO. The vendors are to make every effort to complete the delivery of each Lot/Tranche as per delivery schedule mentioned in the LoA/PO.

In continuation to provisions of liquidated damages clause no. 18, it may be noted that:

If the vendor is not able to supply the total qty. of each lot/tranche within the scheduled delivery dates, the following may be noted:

- a. *The supplier will not dispatch/supply stocks/goods after the last date of scheduled delivery of the Lot/Tranche without PO amendment issued by procurement wing.*
- b. *CMSS Warehouses/Direct consignees would not accept any stock/goods of any Lot/tranche beyond scheduled delivery period in absence of delivery extension PO amendment. E-Aushadhi software functionality has been made that CMSS WHs would not be able to receive the goods (GRN creation barred). These consignees will accept the stocks beyond scheduled delivery date only if Procurement wing has issued PO Amendment for delivery extension.*
- c. *No extension of the delivery date would be granted suo motu unless the supplier specifically asks for it. However, in a few cases, it may be necessary to grant an extension of the delivery period suo motu in the interest of the administration. In such cases, the supplier should mandatorily submit clear acceptance of the extension letter.*



- d. If at any time during the currency of the contract, the supplier encounters conditions hindering delivery of goods, he shall promptly inform the concerned officer in writing. The supplier/vendor should raise request for delivery time extension well in advance i.e. at least 15 days before scheduled delivery date, should mention the likely duration within which it intends to complete the supplies and request for extension of delivery schedule accordingly. On receiving the supplier's communication, CMSS shall examine the proposal and on approval from the CA, may consider issuing delivery extension with/without LD provided: -
- i. That there are sufficient grounds for acceptance of such requests.
 - ii. That there is no falling trend in prices for this item as evidenced from the fact that, in the intervening period, neither orders have been placed at rates lower than this contract nor any tender been opened where such rates have been received even though the tender is not yet decided.
- e. In such cases, for delivery extension, PO amendment would be issued and the supplier should mandatorily supply the goods in extended time period.
- f. Vendors are strictly advised not to deliver/transport any consignment reaching beyond scheduled delivery date without proper PO amendment issued by Procurement wing of CMSS, as it would not be received by consignees. CMSS shall not process any bills of such supplies if made beyond LOA/PO delivery schedule and without any PO amendment. For such actions, vendor would be solely responsible.
- g. If the supplier again fails to deliver the balance quantity within extended time, CMSS reserves the rights/options to procure the undelivered quantity from other approved supplier available in the contract at the same rates (with no financial implication and without regular tender to save time) or from open market at the risk & cost of the defaulting supplier (which may be with financial implication) or grant further extension if deemed fit.

Note- Vendors may note that it may not be necessary that each request for extension in delivery dates is accepted and scheduled delivery date is extended by CMSS.

- h. After completion of complete LD period, if the supplier/vendor still fails to deliver goods (or a part of it) within extended timelines, actions against the supplier/vendor may be initiated for default in supplies as per terms & conditions stipulated in the tender including:-
- i. CMSS reserves the rights/options to short close the delayed lot/tranche undelivered without going for purchase of balance quantity or
 - ii. Short close the delayed lot/tranche and go for procurement of the undelivered quantity from other approved supplier available in the contract at the same rates (with no financial implication) or from open market at the risk & cost of the defaulting supplier (which may be with financial implication).

For repeated defaults in delivery in same or various POs, to debar such habitual defaulting vendor for suitable period.

16. Your firm vide email dtd. 11/07/2024, accepted the cancellation of 2nd & 3rd tranches against Po ref. No.: CMSS/PROC/2023-24/NTEP/042/003 while requesting for non-forfeiture of bank guarantee and accepting payment in lieu of forfeiture in compliance of para 10(ii) of CMSS letter dtd. 08/07/2024. The content of the request received from your firm is reproduced below:



This is in reference to the above said letter dated 8-7-2024 received from CMSS against default in supply of Drug DSTB (CP-A) against CMSS tender no. CMSS/PROC/23-24/NTEP/42. We acknowledge the receipt of your letter and accept the cancellation of 2nd & 3rd tranche against CMSS PO No -10282400059 as mentioned in para 10(i). However, we request to review the forfeiture of bank guarantee submitted (BG No - 429GT02240880007 for Rs 6,79,43,470.00/-) as per para 10(ii) of the letter. We request that we will deposit equivalent amount of Rs 6,79,43,470/- (Rupees Six crore Seventy Nine Lakh Forty Three Thousand Four Hundred Seventy only) in lieu of the forfeiture of the performance bank guarantee as above.

Being a MSME entity with number of continuing purchase orders from CMSS and other state governments, the forfeiture of the BG will impact our CIBIL score and existing credit arrangement with our bankers. Further it will adversely affect our overall financial status in the market and disrupt our ongoing supply to CMSS and other state governments.

Notwithstanding the provision of the Terms and conditions of the contract, we again request for non-forfeiture of the bank guarantee and accept payment in lieu of forfeiture in compliance of the para 10(ii) of your letter dated 8.7.2024.

We hereby undertake to remit Rs 6,79,43,470/- to CMSS as per the following schedule

- 1. We have already remitted Rs 2,00,00,000/- to CMSS on 10.07.2024 vide RTGS no HDFCR52024071074035721*
- 2. We have remitted an additional amount of Rs 50,00,000/- vide RTGS no- HDFCR52024071174259879*
- 3. The balance amount of Rs 4,29,43,470/- will be remitted to CMSS by end of date 15-07-2024.*

We request you to communicate to our banker, HDFC bank to hold the forfeiture of the PBG till 15-07-2024.

After remittance of the entire amount of Rs 6,79,43,470/-, CMSS may further communicate our banker regarding cancellation of the above said PBG.

Hoping for a positive response to our request.

Thanking you in advance.

- 17. Based upon the above request by M/s Centurion Laboratories Pvt. Ltd. transferred the amount of Rs. 6,79,43,470 to account of CMSS.*
- 18. Given facts of the case, as stated in the preceding paragraphs, 2nd Show Cause Notice (No. CMSS/PROC/2023-24/NTEP/042/680) was issued by CMSS to M/s Centurion Laboratories Pvt Ltd on 12/07/2024 for informing them regarding blacklisting the firm for 2 years from CMSS Tenders, due to default in supplies of DSTB CP (A) for National Tuberculosis Elimination Programme.*
- 19. After issuance of 2nd Show cause notice on 12/07/2024, your firm had requested for personal hearing on 16/07/2024. The personal hearing as per your request was held on 16/07/2024 and the minutes of the meeting were shared with your firm on 18/07/2024 via email. (copy enclosed).*
- 20. M/s Centurion Laboratories Pvt. Ltd. replied to the 2nd show cause notice on 19/07/2024 which has been examined by the competent authority and para wise response to the issues raised in your 'reply to show cause notice' is detailed below:*



Para wise response to your PRELIMINARY OBJECTION TO THE SHOW CAUSE NOTICE:

Para 1:

- Please note that the Letter of acceptance was awarded to your firm on 01/03/2024 which was very well within the validity of the tender. The tender was opened on 30/10/2024 and the bid validity as per tender terms is 150 days from the date of tender opening i.e. till 28/03/2024.
- Your firm, M/s. Centurion Laboratories Ltd, signed the contract and accepted to comply with all the conditions as stipulated in the tender at the time of participating in the bid. Any shortage/scarcity in sourcing the raw material (API) MUST have been kept in mind, well in advance of actually participating in the above cited tender.
- From the above statement is also quite evident that you, as a firm/business, failed miserably to analyze various critical aspects such as the availability and sourcing of raw material, the capacity to produce and process such huge quantities, delivery timelines, logistical feasibility etc. The fact that you decided to participate and sign the contract without thorough analysis itself raises a huge question mark on your SERIOUSNESS and your INTENTIONS as a 'responsive bidder'.
- As such, the arguments put forth by your firm in your letter stating that there was a delay in placing the order is factually incorrect and We (CMSS), completely dismiss such false accusations that have been put forward without any substance.

Para 2:

- As detailed above, the huge sum that was invested by your firm towards acquiring raw material was solely for fulfilling your contractual obligations that had you bound by means of a formal contract which was duly signed and accepted by your firm as well.
- The delivery timelines as stipulated in the tender was agreed to, by your firm at the time of accepting the order. Therefore, question of any sort of extension being granted is discretionary and solely lies with the TIA.
- Moreover, CMSS as a Central Procuring Agency (CPA) has nothing to do with sourcing or how your firm should strategically source the required raw materials (API) in order to fulfil the contractual obligations that you and your firm are under.
- Making requisite adjustments or tweaks depending on numerous geopolitical factors in acquiring the basic raw material without any hassle, is the fundamental building block of any organization/business. These bottlenecks/ road-blocks are experienced by everyone in this industry trying to run a company effectively and everyone is equally impacted by these.
- Please note that because of default in supplies by your firm, CMSS had to float a limited tender and thereby resulting in loss of exchequer's money. Therefore, M/s Centurion is solely responsible for the default and the subsequent actions as per tender terms by CMSS.



- Purchase Order (PO) for tranches-2 & 3 has been cancelled because you failed to complete the supplies of tranche-1 even after three extensions. Tranche-2 & 3 delivery period had also expired long back. As per time schedule indicated by you in various communications, there is no visibility regarding delivery schedule of unsupplied quantities. Hence, Purchase Order for Tranche 2 and 3, for which Delivery period has expired were cancelled at your risk and cost in terms of provisions of the contract.
- Moreover, your firm vide email dated 11/07/2024 had also unconditionally accepted the cancellation of PO for Tranche-2&3.
- Risk purchase was resorted to for the sole reason of protecting the national TB mission while still upholding the '*Pradhan Mantri TB Mukht Bharat's*' vision. Not to mention the immense pressure that the national TB program had to go through due to your incompetencies and failure to comply to various terms and conditions of the contract. Thereby, failing to fulfil the contractual obligations that you and your firm was under.
- "Therefore, the claims made by you in the said para are completely false and has no credibility." Hence, CMSS denounce all such claims/accusations.

Para 3:

- This whole scenario of possibly encountering unnecessary delays in procuring at risk and cost of the defaulter is baseless and makes no sense. The whole situation of resorting to a risk purchase has only arisen due to your firm's incompetencies to properly manage, source various resources in fulfilling the contractual obligation. Had your firm supplied the deliverables within the delivery timelines as stipulated in the tender terms, we (CMSS), would not have to rely on risk purchase. Your firm violated every aspect of the contract and defaulted big time in supplying the contracted quantities after having granted three (3) extensions, beyond the normal delivery schedule.
- Therefore, extension in the delivery timelines shall not be considered under any circumstance and let alone for a defaulter like your firm who has defaulted despite having granted three extensions beyond the normal delivery period. Hence, the whole narrative of dismissing risk purchase while saving about 35 Cr. of ex-chequer's money as put forward by your firm, is baseless and has no merit.

Para 4:

- The delivery period was well defined in the Tender Document and also part of the contract awarded to your firm. Your firm had given unconditional acceptance against the delivery period mentioned in tender and also contract awarded to your firm.
- Notwithstanding, Delivery period is as per the requirement of programme division.
- Again, this whole situation of procuring through L-2 Supplier (M/s. Lupin) at a higher cost is only brought upon us (CMSS) by your firm's delay in delivery timelines and breaching the terms and conditions of the contract. As far as you (M/s. Centurion) being punished is concerned, every punitive



action that has been initiated by CMSS is in accordance with the provisions of tender terms and conditions as detailed at Para 15 above.

- Your firm, having failed to supply the deliverables within the timeframe as stipulated in tender terms is hereby held accountable for defaulting and eventually, leaving us with no other option than to procure the said item(s) at risk and cost of the Defaulter i.e. M/s. Centurion Laboratories. The claims made by your firm are hereby denounced as they do not hold any moral value.

Para 5:

- Your firm vide letter dtd. 22/05/2024 had offered to completed the supplies by August 2025 as against the contract delivery period of 27/09/2024, which was not acceptable.
- As such, the claim made by your firm does not have any merit/ grounds for proper consideration.

Para 6:

- All the factors such as raw material sourcing, availability, feasibility, production capacity, etc. are for the supplier to be mindful of prior to participating in the tender. This just goes to further cement the fact that you participated in the above-mentioned tender without possessing the requisite credentials which puts a huge question mark on your intentions and seriousness.
- Again, the shortages and various other factors that might impact the delivery timelines and ultimately hamper your fulfilment of contractual obligation were to be analysed prior to your participating in the given tender. Any claim regarding shortage/scarcity in the API is raising serious questions on your intentions as a 'responsive bidder'. Therefore, any kind of shortage/scarcity cannot be considered as a solid ground on the basis of which the default in supplies can ever be justified. Hence, the claim made by you are baseless and does not do justice to the disruption in supply chain caused at a national level due to your incompetencies in fulfilling your obligations.
- Vide letter dtd. 31/05/2024, you expressed your inability to meet contractual delivery schedule requirement and suggested to cancel the contract at your risk and cost and source from other suppliers. Accordingly, actions has been taken by CMSS.
- As such, there is no merit in your submissions.

Para 7:

- It is crystal clear that your firm only supplied part of the Ist Tranche quantity for the subject drug i.e. DSTB CP (A).
- The fact that you decided to bid without prior analysis and estimation itself goes to highlight your failure as a business/organization and thereby, the claim made in regards to your intentions is completely baffling as your



intention as a 'responsive bidder' cannot be established based off of your actions pertaining to the above tender.

- Regarding delay in payment, as per the contract and Tender provisions, the payment terms are as follows:
"Within 75 days of supplies in respect of items requiring Sterility test and within 60 days of supplies for other items"
- Please note that 104 invoices for approx. Rs. 7.5 crore have been submitted by your firm till date to CMSS for release of payment, out of which only 1 invoice is more than 60 days old till date which is under process for release of payments.
- As such, there is no merit in your submissions.

Para 8:

- The above statement can be perceived in a totally different and in a blackmailing way.
- There are said terms and conditions which are to be abided by in a particular Procurement process. There are RAMIFICATIONS, if the terms and conditions as stipulated in the tender document are not satisfied or complied to.
- Being an MSME does not grant you an IMMUNITY of any sort and nor does it allow you to breach the contractual terms and conditions as per your own will and convenience. Any MSME, regardless of its size, must face the punitive actions as stipulated in the tender upon not fulfilling the contractual obligation.
- Your firm's incompetency in fulfilling your contractual obligations not only jeopardized the national TB Program, but it also broke the backbone of "Pradhan Mantri TB Mukh Bharat Abhiyaan" by derailing the mission from its due course.
- Your argument about non-fulfilment of Hon'ble PM's vision of TB Mukh Bharat by Year-2025, completely undermines the fundamental and ethical values that governs public procurement.
- Tender provisions in case of default are already elaborated in Para 15 above. Therefore, as per the tender provisions as detailed above, your firm will be blacklisted for not understanding the National importance of the TB Program while also putting the Program division under enormous pressure
- Hence, the claim made by your firm regarding non fulfillment of PM's vision in developing MSME, is completely out of context and is hereby considered false or ethically incorrect.

Para 9:

- Please refer clause 14.9 of tender document regarding Force Majeure clause which states that:
14.9 *If at any time the Tenderer has, in the opinion of the CMSS, delayed the supply of items due to one or more reasons related to Force Majeure events such as riots, mutinies, wars, fire, storm, tempest or other exceptional events at the manufacturing premises, the time for supplying the items may be extended by the CMSS at its discretion for such period as may be considered reasonable. However,*



such extension shall be considered only if a specific written request is made by the Tenderer within 10 days from the date of occurrence of such event. The exceptional events do not include scarcity of raw material, increase in the cost of raw material, electricity failure, labour disputes/ strikes, insolvency, and closure of the factory/ manufacturing unit on any grounds etc.

- Please note that shortage of API does not come under Force Majeure clause, hence, your firm can't claim for the same and your statement has no merit.

Para 10:

- Purchase Order (PO) for tranches-2 & 3 has been cancelled because you failed to complete the supplies of tranche-1 even after three extensions. Tranche-2 & 3 delivery period has also expired long back. As per time schedule indicated by you in various communications, there is no visibilities regarding delivery schedule of unsupplied quantities. Hence, Purchase Order for Tranche 2 and 3, for which Delivery period has expired were cancelled at your risk and cost in terms of provisions of the contract.
- Moreover, your firm vide email dated 11/07/2024 has also unconditionally accepted the cancellation of PO for Tranche-2 & 3.
- Risk purchase was resorted to for the sole reason of protecting the national TB mission while still upholding the 'Pradhan Mantri TB Mukh Bharat's' vision. Not to mention the immense pressure that the national TB program had to go through due to your incompetencies and failure to comply to various terms and conditions of the contract. Thereby, failing to fulfil the contractual obligations that you and your firm was under.
- As detailed earlier, it is your responsibility as a firm/business to plan ahead of time in strategically sourcing raw materials for fulfilling requisite contractual obligation. The loss of Rs. 100 crores, that your firm is claiming is solely brought upon by yourself. Despite numerous extensions beyond the normal delivery period, your firm did not comply to the timelines and defaulted in supplying only 94,000 Strips of DSTB CP(A) (approx. 3%) of the total deliverables for Tranche-1. Therefore, in accordance with the tender clause 14.3(a) which states that *"The supplier shall supply the ordered quantity within minimum required period of 60 days (or as mentioned in LOA/PO) from the date of award at the destinations mentioned. If the above day happened to be a holiday for CMSS, the supply should be completed by 5.00 PM on the next working day. In case of non-execution of the order either partially or fully, CMSS reserves the right to cancel the purchase order or place fresh purchase orders on alternative source at the risk and cost of the default supplier. In such cases the CMSS, has every right to recover the cost and impose penalty including blacklisting of the supplier and the product"*, the order for tranche-2 & 3 was thereby cancelled.
- It should also be noted that threatening to restore order for the cancelled tranches-2&3 itself, demands legal action to be initiated against the firm as the only one responsible for this mess is you (M/s. Centurion



Laboratories). Therefore, CMSS completely denounce the use of threatening and provocative narrative practised by your firm which also happens to be 'UNLAWFUL' in every stretch of the imagination.

Para 11:

- The actions as stipulated in tender is being initiated against your firm for the default in supplies of DSTB CP (A). Notwithstanding with other tenders you are referring. Hence, your statement has no merit.

21. From above it is evident that:

- a) The contract was awarded to your firm on 01/03/2024 which is very well within the validity of the tender. The tender was opened on 30/10/2024 and the bid validity as per tender terms is 150 days from the date of tender opening i.e. till 28/03/2024. Hence, your claim regarding delay in award is baseless and incorrect.
- b) You did not supply the item within delivery schedule and significantly delayed the supplies within scheduled delivery period of 30/04/2024, your firm failed to supply the goods within the stipulated delivery schedule. An extension of 30 days was given to your firm but you again failed to supply the DSTB CP (A) within extended delivery period till 31/05/2024. Thereafter, two more extensions were granted with 30 days each i.e. till 31/07/2024.
- c) For release of payment, please note that as per the contract and Tender provisions, the payment terms are as follows:
"Within 75 days of supplies in respect of items requiring Sterility test and within 60 days of supplies for other items"
It is to be noted that 104 invoices for approx. Rs. 7.5 crore have been submitted by your firm till date to CMSS for release of payment, out of which only 1 invoice is more than 60 days old till date which is under process for release of payments.
- d) The shortages and various other factors that might impact the delivery timelines and ultimately hamper your fulfilment of contractual obligation were to be analysed prior to your participating in the given tender. Any claim regarding shortage/scarcity in the API is raising serious questions on your intentions as a 'responsive bidder'. Therefore, any kind of shortage/scarcity cannot be considered as a solid ground on the basis of which the default in supplies can ever be justified. Hence, the claim made by you are baseless and does not do justice to the disruption in supply chain caused at a national level due to your incompetencies in fulfilling your obligations. Also, please note that shortage of API does not come under Force Majeure clause, hence, your firm can't claim for invocation of Force Majeure clause.
- e) Your firm vide email dtd. 11/07/2024, accepted the cancellation of 2nd & 3rd tranches against PO ref. No.: CMSS/PROC/2023-24/NTEP/042/003 while requesting for non-forfeiture of bank guarantee and accepting payment in lieu of forfeiture in compliance of para 10(ii) of CMSS letter dtd. 08/07/2024. Based upon the above request, M/s Centurion Laboratories Pvt. Ltd. transferred the amount of Rs. 6,79,43,470 to account of CMSS.



- f) Risk purchase was resorted to for the sole reason of protecting the national TB mission while still upholding the '*Pradhan Mantri TB Mukh Bharat's*' vision. Not to mention the immense pressure that the national TB program had to go through due to your incompetencies and failure to comply to various terms and conditions of the contract. Thereby, failing to fulfil the contractual obligations that you and your firm was under. Therefore, the actions taken against your firm is as per the provisions stipulated in the tender document and hence justified.

From the above facts, the supplier submitted their reply to the 2nd Show cause notice on 19/07/2024 which has been examined by the competent authority and the competent authority is of the view that the statements made by M/s Centurion Laboratories Pvt. Ltd. has no merit and are baseless. Following decision have been taken with immediate effect:

M/s Centurion Laboratories Pvt. Ltd. is debarred and blacklisted for default in supplies in accordance with Department of Expenditure blacklisting / debarring guidelines vide its O.M (No.F.1/20/2018-PPD, dated 02/11/2021) for two years i.e. from 29/07/2024 to 28/07/2026 to participate in future Tenders of Central Medical Services Society (CMSS) with immediate effect.

This is issued with the approval of competent authority.

With regards,


General Manager (Procurement)

Copy to:

- (i) Deputy Secretary (EPW), MoHFW
- (ii) All Programme Division (NACO/NTEP/NVHCP/FP/CHP/NCVBDC/UIP) of MoHFW
- (iii) All GM & AGM, CMSS
- (iv) PPS to AS & DG, MoHFW & Chairperson- GB, CMSS

Email

Sakshi Juneja

Re: Meeting for --- Show Cause Notice for blacklisting/debarment of M/s Centurion Laboratories Pvt. Ltd. for a period of 2 years from CMSS Tenders due to default in supplies of DSTB CP (A) for National Tuberculosis Elimination Programme

From : Sakshi Juneja <agmproc2@cmss.gov.in>
Subject : Re: Meeting for --- Show Cause Notice for blacklisting/debarment of M/s Centurion Laboratories Pvt. Ltd. for a period of 2 years from CMSS Tenders due to default in supplies of DSTB CP (A) for National Tuberculosis Elimination Programme
To : info@centurionlaboratories.com, mahipat@centurionremedies.com
Cc : dgceocmss@cmss.gov.in, Debabrata Mohapatra <gmfinance@cmss.gov.in>, gmproc1@cmss.gov.in, avpatel@centurionremedies.com, ShivamSharma <mgrproc2@cmss.gov.in>

Thu, Jul 18, 2024 05:19 PM

1 attachment

Dear Mahipat,

Please find enclosed the Minutes of the meeting held on 12.07.2024.
This issues with the approval of competent authority.

Regards

Sakshi Juneja
AGM Procurement, CMSS

From: info@centurionlaboratories.com
To: "Sakshi Juneja" <agmproc2@cmss.gov.in>, dgceocmss@cmss.gov.in, "Debabrata Mohapatra" <gmfinance@cmss.gov.in>, gmproc1@cmss.gov.in
Cc: mahipat@centurionremedies.com, avpatel@centurionremedies.com
Sent: Monday, July 15, 2024 5:02:29 PM
Subject: Meeting for --- Show Cause Notice for blacklisting/debarment of M/s Centurion Laboratories Pvt. Ltd. for a period of 2 years from CMSS Tenders due to default in supplies of DSTB CP (A) for National Tuberculosis Elimination Programme

Respected Sir & Madam,

You are kindly informed that our director Sh. Mahipat Patel Sir will coming to meet you tomorrow before 12 noon for Show cause notice dtd 12.07.2024 - the serious matter.

Kindly do the needful.

Regards,
Kiran Doshi
Centurion

From: Sakshi Juneja [mailto:agmproc2@cmss.gov.in]
Sent: Friday, July 12, 2024 5:47 PM
To: info; mahipat; avpatel
Cc: dgceocmss@cmss.gov.in; gmproc1@cmss.gov.in; ShivamSharma; Debabrata Mohapatra
Subject: Show Cause Notice for blacklisting/debarment of M/s Centurion Laboratories Pvt. Ltd. for a period of 2 years from CMSS Tenders due to default in supplies of DSTB CP (A) for National Tuberculosis Elimination Programme

- nce:** 1. Show Cause Notice (Ref No. CMSS/PROC/2023-24/NTEP/042/656, dated 17/05/2024) issued by CMSS to M/s Centurion Laboratories Pvt. Ltd.
2. M/s Centurion Laboratories Pvt. Ltd. reply to the Show Cause Notice vide letters 31.05.2024 and 14.06.2024
3. Letter (Ref No. CMSS/PROC/2023-24/NTEP/042/, dated 08/07/2024) issued by CMSS for cancellation and forfeit the performance security.

4. M/s Centurion Laboratories Pvt. Ltd. acceptance of cancellation of order for 2nd and 3rd tranche and forfeiture of Performance Bank Guarantee dtd. 11.07.2024.

Dear Sir/Madam,

1. With reference to Tender no. CMSS/PROC/2023-24/NTEP/042. Purchase Order for 1,74,44,160 strips (strip of 28 tablets) were awarded to M/s Centurion Laboratories as per following Delivery schedule:

PO No.	Quantity (Strips)	Order Value (Rs.)	Delivery Schedule from LOA Date
CMSS/PROC/2023-24/NTEP/042/003	1,74,44,160	226,47,82,270.4670	Tranche 1 within 60 days from date of issue of LOA i.e. up to 30.04.2024 Tranche 2 within 61-90 days i.e. up to 30.05.2024 Tranche 3 within 91-120 days i.e. up to 29.06.2024 Tranche 4 within 121-150 days i.e. up to 29.07.2024 Tranche 5 within 151-180 days i.e. up to 28.08.2024 Tranche 6 within 181-210 days i.e. up to 27.09.2024

2. For Purchase Order No. CMSS/PROC/2023-24/NTEP/042/003, the supplier did not supply the item within delivery schedule and significantly delayed the supplies. Within delivery scheduled delivery period of 30.04.2024, the supplier didn't make any supplies. An extension of 30 days was given to supplier but the supplier again failed to supply the DSTB CP (A) within extended delivery period till 31.05.2024. Thereafter, two more extensions have been given each for 30 days. However, the supplies have not been completed. The latest supply status is as under:

The supplies have not been completed. The latest supply status is as under.

PO No.	LOA Date	Lot	Quantity (in Strips)	Last Date of Delivery	Extended Delivery	Quantity Supplied (in Strips)	Supplied Percentage	PDI done till date (in Strips)	PDI Offered (in strips)
10282400059	01-03-2024	1	3256243	30-Apr-24	31-July-24	94,000	3%	10,61,880	4,50,000
		2	3256243	30-May-24	NA	0			
		3	3256243	29-Jun-24	NA	-			
		4	3256243	29-Jul-24	NA	-			
		5	3256244	28-Aug-24	NA	-			
		6	1162944	27-Sep-24	NA	-			
TOTAL			1,74,44,160			94,000	0.53%		

3. From above table, it is observed that M/s Centurion Laboratories Pvt. Ltd. have supplied only 94,000 Strips of DSTB CP(A) (approx. 3%) for Tranche-1 till date and another quantity of 15,11,880 strips is under inspection/dispatch.
4. Various levels of review meetings were held with you and in every meeting, you committed a new date for supply due to API issue. A review meeting under the chairmanship of DG and CEO CMSS was held on 04/04/2024 wherein the supplier was instructed to initiate the supplies immediately. Various other meetings were held with the supplier and also at the highest level, but the supplier failed to deliver the goods.
5. A show-cause notice was issued on dated 17/05/2024 by CMSS to M/s Centurion Laboratories Pvt. Ltd. to provide detailed explanation till 22/05/2024 to take appropriate actions as per tender clause no. 13.6, 14.3 (a), 18.1 and 20.2 of tender document to short close the Purchase Order at the risk and cost of the defaulting vendor, to forfeit the performance security and debar/blacklist the supplier.
6. The supplier submitted reply vide email dated 22.05.2024. The response submitted by the supplier was not satisfactory as the supplier requested for another extension in Tranche 1 supplies till 10.08.2024 and 60 days for subsequent tranches. Hence, the supplier was called for personnel hearing on 31.05.2024.
7. **On 31.05.2024, the supplier informed the following (Ref. 31/c):**

*"With ref to our earlier letters and mails and last reply of your show cause notice, we are thankful to you for giving personal hearing today. As informed by us from beginning that we will not be able to supply this drug fully as per schedule, we request you to consider shortage of API & we will supply this drug maximum possible about **45000 /50000 strips per day I e 2.7 to 3 lakhs strips per week (about 10-12 lakhs strips per month and rest of requirements may be covered by you from L2 or other bidders so that patients do not suffers.***

We request not to blacklist us to continue our supply so that you will get some relief of supply condition at cheaper price and provide some relief to patients as anyone supplier will not be able to supply such large quantities & it will create shortage. Again, PDI for one lot as informed by us is done today and it will continue as above so please consider our request not to blacklist us which will affect total supply from us for this and other TB & HIV drugs also We promise to improve supply conditions of all these drugs. We hope you will consider our request sympathetically for mutual benefit and oblige us".

8. Letter Dtd. 14.06.2024 by M/s Centurion Laboratories Pvt. Ltd. received and informed the following:

With reference to yesterday's meeting with our Directors, please note that we will offer PDI for this drug 1st tranche 462000 strips till 20.06.2024. In addition to 94000 strips were already supplied on dated 31.05.2024 to CMSS-Ahmadabad ware house for which e-Aushadhi receiving is pending. And we have offered PDI on 10.06.2024 for 126600 strips but till today PDI confirmation is pending, may be due to extension not given.

We can also further offer PDI on the basis of Raw Material and Packing material ready stock of 423000 strips till 25.06.2024 & 423000 strips on 30.06.2024 and 235000 strips on dated 07.07.2024. So total 1763600 strips will be completed till 07/07/2024.

Due to shortage of API other bidders who got the order before us covered the API hence we could arrange API from May'2024 so we could start production late. We can complete I' tranche on 31.07.2024 & rest of each tranche can be completed in further 60 days as we have already given orders for raw materials & packing materials to be received within the required time.

If you invite new risk purchase tender then also it will take 3 months to finalize the tender formalities which will create shortage of medicine during this period & supply from new bidder may take other 6 months so total 9 months will be required for total supply. As well as new rates will be very higher and it will become unnecessary expenses.

Actually your requirement is for whole year but tender supply asked was too short in just 6 months. We hope you will consider our request to supply further drugs with extension of further 60 days for each tranche from now onward and co-operate us. Otherwise we will be financially in trouble due recovery of risk purchase.

We are very sorry for delay supply due to shortage of API as informed to you by our various mails & letters since March'24. Also please look our past tender ANTI TB supply which is all are within time line.

Once again expecting your co-operation and our assurance to avoid non-availability during the period new tender is finalized.

9. With reference to the subject mentioned above, it is informed that the reply of show cause notice submitted by you vide letter & email dated 31/05/2024 and 14/06/2024 was examined by the competent authority and it was decided to cancel the order for tranche-2 and 3 unsupplied quantity and also forfeit its PBG for default in supplies. The CMSS decision was communicated to you vide letter dated 08/07/2024. The same has been accepted by you vide your letter No. CLPL/CMSS-042/24-25/03 dtd. 11.07.2024.
10. In conspectus of the factual position set out hereinabove, it is clear that your firm has failed to abide by the Delivery Schedule in respect of PO No. 10282400059. The stipulated date for completion of supplies against Tranche-I was 30.04.2024. However, the supplies have not been completed till date, notwithstanding CMSS granting two extensions to the delivery date by way of Amendments to the aforesaid PO dated 01.05.2024, 26.06.2024 and 12.07.2024. Moreover, Centurion has not communicated a firm date for completion of supplies, requesting an extension of 30 days by emails dated 01.06.2024, 03.06.2024 and 04.06.2024, followed by a request for extension by 120 days vide communication dated 08.06.2024 for supplying drugs in respect of Tranche-I.
11. Your Firm by its communications dtd. 31.05.2024 has admitted that your firm would not be able to complete supplies within the stipulated delivery schedule and has accordingly, requested CMSS to foreclose Tranche-I & Tranche-II and procure the corresponding quantity from the L-2 bidder or any other bidder.
12. From the communications issued by your firm and its conduct, it is apparent that your firm did not have the requisite facility in place to meet the supplies as per the delivery schedule. Also, Your Firm has in several communications admitted that it does not have sufficient supplies of APIs to manufacture DSTB. Accordingly, the schedule for delivery proposed by your firm in its communication dated 22.05.2024 shows that it would only be able to complete supplies by August 2025 as opposed to the outer limit for delivery of tendered drugs being 27.09.2024 as per the PO. Thus, resulting in significant delay, of close to a year, in completing supplies. As per clause 18.4 of tender documents which states that ***"Timely supply is the essence of contract/ Purchase order. The drugs/medicines/items ordered are meant for key National programmes & delay in supply can have the adverse impact on patients can derail the critical National level Disease Control Programme."*** As such you should have ought to have had the necessary supply chain and production capabilities prior to participating in the Tender.

13. Please note the significant delays in supply resulted into crisis in Anti TB Drugs among patients and hence, severely affected the National Programme. Please note that Pradhan Mantri TB Mukh Bharat Abhiyaan is initiated with the target that TB will be eliminated from INDIA till 2025 which cannot be possible without supply of essential drugs to the patients.
14. To run the National programme and your non supply issues, CMSS had to float a Limited Tender for the subject drug i.e. DSTB CP (A) which resulted into huge losses to exchequer by giving additional Purchase Order through limited tender at higher rates.
15. Tender provisions in case of default in supplies as under:

5 vi -(b) If any fraud, short supply of goods is detected on part of the bidder at any stage, the bid or work order/ Purchase order issued to the bidder is liable to be cancelled and further necessary action against the bidder **including debarring/blacklisting will be taken.**

xi. Purchaser reserves the right to **debar/ blacklist a bidder for a suitable period in case he fails to honour his bid/contract without sufficient grounds.**

14.3(a) The supplier shall supply the ordered quantity within minimum required period of 60 days (or as mentioned in LOA/PO) from the date of award at the destinations mentioned. If the above day happened to be a holiday for CMSS, the supply should be completed by 5.00 PM on the next working day. **In case of non-execution of the order either partially or fully, CMSS reserves the right to cancel the purchase order or place fresh purchase orders on alternative source at the risk and cost of the default supplier. In such cases the CMSS, has every right to recover the cost and impose penalty including blacklisting of the supplier and the product.**

18.4 Timely supply is the essence of contract/ Purchase order. The drugs/medicines/items ordered are meant for key National programmes & delay in supply can have the adverse impact on patients can derail the critical National level Disease Control Programme.

For each lot/tranche, the delivery schedule (dates) are mentioned in the LOA/PO. The vendors are to make every effort to complete the delivery of each Lot/Tranche as per delivery schedule mentioned in the LoA/PO.

In continuation to provisions of liquidated damages clause no. 18, it may be noted that:

If the vendor is not able to supply the total qty. of each lot/tranche within the scheduled delivery dates, the following may be noted:

- a. The supplier will not dispatch/supply stocks/goods after the last date of scheduled delivery of the Lot/Tranche without PO amendment issued by procurement wing.
- b. CMSS Warehouses/Direct consignees would not accept any stock/goods of any Lot/tranche beyond scheduled delivery period in absence of delivery extension PO amendment. E-Aushadhi software functionality has been made that CMSS WHs would not be able to receive the goods (GRN creation barred). These consignees will accept the stocks beyond scheduled delivery date only if Procurement wing has issued PO Amendment for delivery extension.
- c. No extension of the delivery date would be granted suo motu unless the supplier specifically asks for it. However, in a few cases, it may be necessary to grant an extension of the delivery period suo motu in the interest of the administration. In such cases, the supplier should mandatorily submit clear acceptance of the extension letter.
- d. If at any time during the currency of the contract, the supplier encounters conditions hindering delivery of goods, he shall promptly inform the concerned officer in writing. The supplier/vendor should raise request for delivery time extension well in advance i.e. at least 15 days before scheduled delivery date, should mention the likely duration within which it intends to complete the supplies and request for extension of delivery schedule accordingly. On receiving the supplier's communication, CMSS shall examine the proposal and on approval from the CA, may consider issuing delivery extension with/without LD provided: -

That there are sufficient grounds for acceptance of such requests.

That there is no falling trend in prices for this item as evidenced from the fact that, in the intervening period, neither orders have been placed at rates lower than this contract nor any tender been opened where such rates have been received even though the tender is not yet decided.

- e. In such cases, for delivery extension, PO amendment would be issued and the supplier should mandatorily supply the goods in extended time period.
- f. Vendors are strictly advised not to deliver/transport any consignment reaching beyond scheduled delivery date without proper PO amendment issued by Procurement wing of CMSS, as it would not be received by consignees. CMSS shall not process any bills of such supplies if made beyond LOA/PO delivery schedule and without any PO amendment. For such actions, vendor would be solely responsible.
- g. If the supplier again fails to deliver the balance quantity within extended time, CMSS reserves the rights/options to procure the undelivered quantity from other approved supplier available in the contract at the same rates (with no financial implication and without regular tender to save time) or from open market at the risk & cost of the defaulting supplier (which may be with financial implication) or grant further extension if deemed fit.
Note- Vendors may note that it may not be necessary that each request for extension in delivery dates is accepted and scheduled delivery date is extended by CMSS.
- h. After completion of complete LD period, if the supplier/vendor still fails to deliver goods (or a part of it) within extended timelines, actions against the supplier/vendor may be initiated for default in supplies as per terms & conditions stipulated in the tender including:-
- i. CMSS reserves the rights/options to short close the delayed lot/tranche undelivered without going for purchase of balance quantity or **ii. Short close the delayed lot/tranche and go for procurement of the undelivered quantity from other approved supplier available in the contract at the same rates (with no financial implication) or from open market at the risk & cost of the defaulting supplier (which may be with financial implication).**

For repeated defaults in delivery in same or various POs, to debar such habitual defaulting vendor for suitable period.

In view of the aforesaid and given the serious consequences of the breaches by M/s Centurion Laboratories Pvt. Ltd., CMSS is constrained to issue the present Show Cause Notice calling upon M/s Centurion Laboratories Pvt Ltd to explain why the CMSS should not initiate proceedings to debar/ blacklisting of M/s Centurion Laboratories Pvt. Ltd. for a period of two (2) years for all CMSS Tenders for default in supply as per Tender Terms and conditions. You are requested to provide your detailed explanation by 19/07/2024 and in case failing to do so, it will be presumed that you have nothing to say in this regard and appropriate actions as per tender provisions as deemed fit will be taken in accordance with the Tender document.

This is issued with the approval of competent authority.

Regards

Sakshi Juneja
AGM Procurement, CMSS

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282 KB

Central Medical Services Society

**Subject: Personal Hearing on 16.07.2024 against the Show Cause
issued on 12.07.2024 to M/s Centurion Laboratories Pvt. Ltd.**

Following were present:

- i. Mr. Rajesh Gupta, DG and CEO, CMSS
 - ii. Mr. Pramod Somnathe, GM(Proc), CMSS
 - iii. Ms. Sakshi Juneja, AGM(Proc.), CMSS
 - iv. Mr. Mahipat Patel, MD, M/s Centurion Laboratories Pvt. Ltd.
1. The show cause notice issued to M/s Centurion Laboratories was discussed regarding blacklisting of the firm for 2 years against the default in supply of DSTB CP (A) with reference to Tender No. CMSS/PROC/2023-24/NTEP/42.
 2. M/s Centurion Laboratories Pvt. Ltd. requested to take sympathetic view against the blacklisting order and requested the following:
 - a) The blacklisting order may kindly hold for few months. The firm is trying to deliver the goods at the earliest and will try to complete the delivery within the scheduled delivery.
 - b) Also, it was requested that blacklisting may only be done for CMSS tenders and not as a whole for all organizations.
 3. CMSS informed the following to the M/s Centurion Labs. Pvt. Ltd:
 - a) The significant delays in supply resulted into crisis in Anti TB Drugs among patients and hence, severely affected the National Programme. Pradhan Mantri TB Mukta Bharat Abhiyaan is initiated with the target that TB will be eliminated from INDIA till 2025 which cannot be possible without supply of essential drugs to the patients.



The default in supplies by M/s Centurion has resulted in failure of National Programme.

- b) To run the National programme and your non supply issues, CMSS had to float a Limited Tender for the subject drug i.e. DSTB CP (A) which resulted into huge losses to exchequer by giving additional Purchase Order through limited tender at higher rates.
- c) The blacklisting will be done as per the government norms and as approved by the competent authority.

The meeting was concluded.





CENTRAL MEDICAL SERVICES SOCIETY
Ministry of Health and Family Welfare
(Government Of India)
2nd Floor, Vishwa Yuvak Kendra,
Pt. Uma Shankar Dikshit Marg, Teen Murti Road,
Opposite Police Station/Chankayapuri, New Delhi-110021

PURCHASE ORDER [Admin Copy]

Serial No. : CMSS/PROC/2023-24/NTEP/042/003

PO Date: 02.04.2024

LOA Acceptance Date: 01.03.2024

PO No: 10282400059 / BOTH (PDI and NON-PDI) / Domestic Fund - DF
File No : CMSS/PROC/2023-24/NTEP/042/LOA/161

To,
M/S Centurion Laboratories Pvt Ltd
Address: G-6, Industrial Estate, Gorwa, Vadodara Gujarat
Vadodara-390016, -
Tel: 0265-2282061 Email: info@centurionlaboratories.com

Kind Attn: Mr Mahipat Ambalal Patel

Subject: Purchase Order for Supply of DSTB-CP (Adult)
Ref: Long Term Agreement No: CMSS/PROC/2023-24/NTEP/042/LTA/001 dt:02.04.2024

Dear Sir,

Please supply following quantities for the items specified as per the technical specifications and terms and conditions of the Long Term Agreement referred above:

S No	Item Code	Item Description	HSN Code	Quantity	Unit	Ex-Works Price per Unit (Rs)	GST (%)	GST (Rs)	Transportation Charges (Rs)	Rate Per Unit (Limited Price) (Rs)	Total Value (Rs)	Destination
1.	181	DSTB-CP (Adult) / Strip of 28 Tablets [181]	30049085	1,74,44,160	Strips of 28 tablets	115.9200	12.00	13.9104	0.0000	129.8304	2264782270.4640	As per Annex-1

1. All the terms and conditions of the Agreement signed by you on acceptance of your tender are applicable. Free Delivery at consignee Site.

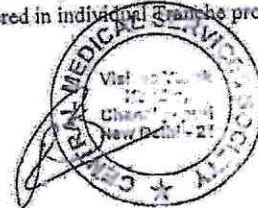
2. Delivery Period :

Tranche I(PDI): 32,56,243 strips (Strips of 28 Tabs) to be delivered within 60 days from the date of issue of LOA.
Tranche II(NON-PDI): 32,56,243 strips (Strips of 28 Tabs) to be delivered within 61 to 90 days from the date of issue of LOA.
Tranche III(NON-PDI): 32,56,243 strips (Strips of 28 Tabs) to be delivered within 91 to 120 days from the date of issue of LOA.
Tranche IV(NON-PDI): 32,56,243 strips (Strips of 28 Tabs) to be delivered within 121 to 150 days from the date of issue of LOA. Tranche V(NON-PDI): 32,56,244 strips (Strips of 28 Tabs) to be delivered within 151 to 180 days from the date of issue of LOA. Tranche VI (NON-PDI): 11,62,944 strips (Strips of 28 Tabs) to be delivered within 181 to 210 days from the date of issue of LOA. *PDI means Pre Dispatch Inspection and NON PDI means Post Delivery Inspection.
* All deliveries to subsequent tranches will be accepted subject to completion of 100% deliveries pertaining to previous tranches.

3. Manufacturing license and site as per Annexure-B.

4. Payment Terms : Within 75 days of supplies in respect of items requiring sterility tests and within 60 days of supplies for other items.

5. Part payment for supply will be considered only after supply of 50% of items ordered in individual Tranche provided reports of standard quality on samples testing are received from laboratories of CMSS.



6. Please mention E-Aushadhi PO No. and Tranche no. on the delivery challan and invoices.
The ordered quantities should be supplied in minimum number of batches, ensuring the maximum batch product capacity.

Amendment No: 1

Amendment date: 01.05.2024

Reason: Supplier Request.

Note: Delivery Schedule for the Tranche 1 has been extended from 01.05.2024 to 31.05.2024 with applicable LD charges as per the Tender Terms and Conditions and also with denial clause mentioned below:

Amendment No: 2

Amendment date: 26.06.2024

Reason: Supplier Request.

Note: Delivery Schedule for the Tranche 1 has been extended from 31.05.2024 to 30.06.2024, with applicable LD charges as per the Tender Terms and Conditions and also with denial clause mentioned below:

1. No increase in price on account of any statutory increase in or fresh Imposition of GST, customs duty or on account of any other taxes/duty/ Cess levy), leviable in respect of the Goods and incidental Works/Services stipulated in the said contract which takes place after the Original delivery date, shall be admissible on such of the said Goods, as are delivered after the said date; and.

2. Not with standing any stipulation in the contract for an increase in price on any other ground, including price variation clause or foreign exchange rate variation, or any other variation clause, no such increase after the original delivery date shall be admissible on such goods delivered after the said date.

3. Nevertheless, the Procuring Entity shall be entitled to the benefit of any decrease in price on account of reduction in or remission of GST, customs duty or on account of any other Tax or duty or any other ground as stipulated in the price variation clause or foreign exchange rate variation or any other variation clause which takes place after the expiry of the original delivery date.

Amendment No: 3

Amendment date: 12.07.2024

Reason: Supplier Request.

1. Note: Delivery Schedule for the Tranche 1 has been extended till 31.07.2024, with applicable LD charges as per the Tender Terms and Conditions and also with denial clause mentioned below:

Denial Clause is as follows:

1. No increase in price on account of any statutory increase in or fresh Imposition of GST, customs duty or on account of any other taxes/duty/ Cess levy), leviable in respect of the Goods and incidental Works/Services stipulated in the said contract which takes place after the Original delivery date, shall be admissible on such of the said Goods, as are delivered after the said date; and.

2. Not with standing any stipulation in the contract for an increase in price on any other ground, including price variation clause or foreign exchange rate variation, or any other variation clause, no such increase after the original delivery date shall be admissible on such goods delivered after the said date.

3. Nevertheless, the Procuring Entity shall be entitled to the benefit of any decrease in price on account of reduction in or remission of GST, customs duty or on account of any other Tax or duty or any other ground as stipulated in the price variation clause or foreign exchange rate variation or any other variation clause which takes place after the expiry of the original delivery date.

2. As per CMSS letter (Ref No.:CMSS/PROC/2023-24/NTEP/042/656 dated: 08.07.2024), the Purchase Order for Tranche-2and3 is hereby cancelled at the risk and cost of M/s. Centurion Laboratories Ltd., for unsupplied quantity of 65,12,486 strips (strip of 28 Tablets) for DSTB CP(A)-with immediate effect.

Shelf Life Details:

Shelf Life of the Item (In Months): 24

Residual Shelf Life at the time of supply: 5/6 Condition

Suppliers may note that supplies meeting the above mentioned residual shelf life criteria will only be accepted by CMSS/Consignees.

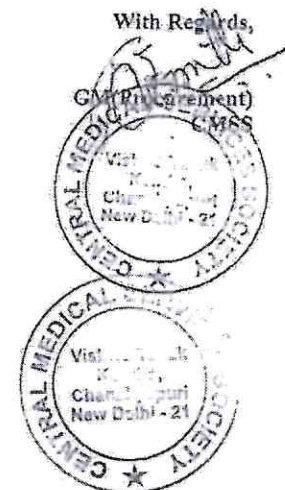
LD clause after delivery period:

LD Criteria : Per Day

LD %: 0.3571

Copy to:

1. General Manager(LSC), CMSS.
2. General Manager(QA), CMSS.
3. General Manager(Finance), CMSS.
4. All Consignees (CMSS Warehouses) concerned.
5. Revised National TB Control Programme - RNTCP.

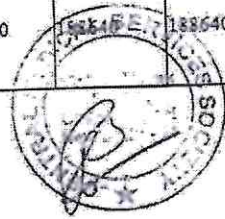


Annexure A to PO No : CMSS/PROC/2023-24/NTEP/042/003 Dated: 02.04.2024
 File No : CMSS/PROC/2023-24/NTEP/042/LOA/161
 Supplier: Centurion Laboratories Pvt Ltd

Annexure - A

Item Description: DSTB-CP (Adult)
 UOM: Strips of 28 tablets

S No	Consignee Location / Consignee Address	GST No.	CONSIGNEE LIST					
			Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	Tranche VI
1.	AGARTALA-CW CWC Complex, near Satsang Ashram, Hapania, Agartala, Tripura-799014. Contact No. 8794619152	16AABAC6275F1ZV	6240	6240	6240	6240	6240	2400
2.	AHMEDABAD-CW CMSS, Central Warehouse Corporation, Opp. PandT Colony, Shah Alam Road, Ahmedabad-380028, Gujarat. Contact No. 9988684126	24AABAC6275F1ZY	167520	167520	167520	167520	167520	59520
3.	BANGALORE-CW APMC Yard Yeswanthpur Bangalore 560022 Contact No. 080-23477889/ 9003507261	29AABAC6275F1ZO	88800	88800	88800	88800	88800	31680
4.	BHOPAL-CW CMSS, C/o Central Warehousing Corporation, Godown No. 1A, Chhola Road, Nishatpura, near Railway Cabin No. 3, Bhopal-462010. Contact No. 0755-2508050 / 9755839464	23AABAC6275F1ZO	223680	223680	223680	223680	223680	79680
5.	BHUBANESWAR-CW 326, Khata No -456/948 Mouza-Johal, PO/PS-Pahal, Dist-Khorda, Bhubaneswar - 751032, Contact No. 7980748768	21AABAC6275F1ZA	133920	133920	133920	133920	133920	47520
6.	CHENNAI-CW CMSS, Central Warehouse Corporation, Warehouse no. 11C, container freight Station, Chrompet, Chitalapakkam(P.O), Chennai-600064 Contact No. 044 -22231344 / 9894672098	33AABAC6275F1ZZ	268320	268320	268320	268320	268320	95520
7.	DELHI-CW KH. No. 81, Village Barnoli, Sec-28, Dwarka, Delhi-110075, Contact No. 9810434978	07AABAC6275F1ZU	83040	83040	83040	83040	83040	29760
8.	GUWAHATI-CW CMSS Central Warehouse Corporation EPIP Complex Amingaon Guwahati 781031, Contact No. 0361-2680977, 7411212179	18AABAC6275F1ZR	95520	95520	95520	95520	95520	34560
9.	HYDERABAD-CW CMSS CWC near Gandhi Bhawan Nampally Hyderabad 500001 Contact No. 040-29705969 / 9441522973	36AABAC6275F1ZT	255840	255840	255840	255840	255840	90720
10.	JAIPUR-CW CMSS, Central Warehouse Corporation, Plot No SPL-1296, BPIP Sitapura, Industrial Area, Jaipur-302002, Rajasthan. Contact No. 9977488426	08AABAC6275F1ZS	190080	190080	190080	190080	190080	67680
11.	KOLKATA-CW CMSS, C/o Central Warehouse Bonhooghly RJC Estate Kolkata West Bengal- 700108. Contact No. 7980189904	19AABAC6275F1ZP	188640	188640	188640	188640	188640	67200



12.	LUCKNOW-CW CMSS, Central Warehouse, New Mandi Complex, Sitapur Road, Lucknow-226020 Contact No. 9005917860	09AABAC6275F1ZQ	710803	710803	710803	710803	710804	251520
13.	NAVI MUMBAI-CW CWC, Sector-20, NR, Turbe Railway Station, Vashi, Navi Mumbai-400703. Contact No. 022-27830069 / 8319685154	27AABAC6275F1ZS	346560	346560	346560	346560	346560	123360
14.	PATNA CITY-CW CMSS, CWC, Bazar Sammittee, Kaura Bazar, Patna city-800008. Contact No. 8750291818	10AABAC6275F1Z7	32160	32160	32160	32160	32160	11520
15.	RAIPUR-CW CMSS, Central Warehouse Corporation, near Harish Petrol Pump, Raubhata, Birgaon, Raipur -493221 Contact No. 9575363443	22AABAC6275F1Z2	83520	83520	83520	83520	83520	29760
16.	RANCHI-CW CWC, Corporation, Ratu Road, Post Hehal, Ranchi, Jharkhand-834005 Contact No. 8051226488	20AABAC6275F1Z6	70080	70080	70080	70080	70080	24960
17.	TRIVUVANTHAPURAM-CW Central Warehouse Corporation Kinfa Apparel Park Menamkulam, Pallithura PO Kaslakootam, Trivandrum, 695586, Contact No. 9495427996	32AABAC6275F1Z1	40320	40320	40320	40320	40320	14880
18.	ZIRAKPUR-CW Central Medical Services Society Godown NO.B014/3433, Near Vivekanand School, Godown area, Village Bhabat, Thana-Zirakpur Dist: SAS Nagar-140601(Punjab), Contact No. 9716662077	03AABAC6275F1Z2	271200	271200	271200	271200	271200	100704
Total Tranche Qty:			32,56,243	32,56,243	32,56,243	32,56,243	32,56,244	11,62,944
Total Ordered Qty			17444160					



Annexure B to PO No : CMSS/PROC/2023-24/NTEP/042/003 Dated: 02.04.2024
File No : CMSS/PROC/2023-24/NTEP/042/LOA/161
Supplier: Centurion Laboratories Pvt Ltd

Annexure - B

LIST OF MANUFACTURING LICENSES and SITE ADDRESSES						
S.No	Item Code	Item Description	Manufacturing Site Address	Manufacturing License No.	License Validity	Remarks
1.	151	DSTB-CP (A,lot1)	Plot No. P-2, Savli Bio-Tech Park, Margwar, Savli, Dist. Vahadol-391775, Gujarat, India	0280467	02-08-2024	-

Billing Instructions:

i) **CMSS Ware House and DTC within above 18 states :-** Supplier supplying goods to CMSS warehouses or any of its consignee having delivery address within the state listed above, the supplier to issue tax invoice to CMSS, using the GST registration number of that state only.

ii) **DIRECT TO CONSIGNEE (other than 18 states listed above) :-** Supplier supplying goods directly to any consignee having delivery address in a state other than the 18 states mentioned above, the supplier to issue tax invoice to CMSS using the registration number of its principal place of Business i.e. Delhi GSTIN -07AABAC6275F1ZU only.

The Billing - to Address will be

Central Medical Services Society
2nd Floor, Vishwa Yuvak Kendra, Pt Uma Shankar Dixit Marg,
Teen Murti Marg, Chanakrapuri,
New Delhi-110021.

And, the Shipping - to Address will be the address of the consignee given in the Purchase order.



CENTRAL MEDICAL SERVICES SOCIETY
2nd Floor, Vishwa Yuvak Kendra, Pandit Uma Shankar Dikshit Road,
Chanakyapuri, New Delhi-110021

Ref: CMSS/PROC/2023-24/NTEP/042/680

Dated - 12/07/2024

To,

M/s Centurion Laboratories Pvt. Ltd.
Plot No.- G/6, B.I.D.C, Gorwa Distt.
Vadodara-390016, Gujarat, INDIA

Subject: Show Cause Notice for blacklisting/debarment of M/s Centurion Laboratories Pvt. Ltd. for a period of 2 years from CMSS Tenders due to default in supplies of DSTB CP (A) for National Tuberculosis Elimination Programme.

- Reference:** 1. Show Cause Notice (Ref No. CMSS/PROC/2023-24/NTEP/042/656, dated 17/05/2024) issued by CMSS to M/s Centurion Laboratories Pvt. Ltd.
2. M/s Centurion Laboratories Pvt. Ltd. reply to the Show Cause Notice vide letters 31.05.2024 and 14.06.2024
3. Letter (Ref No. CMSS/PROC/2023-24/NTEP/042/, dated 08/07/2024) issued by CMSS for cancellation and forfeit the performance security.
4. M/s Centurion Laboratories Pvt. Ltd. acceptance of cancellation of order for 2nd and 3rd tranche and forfeiture of Performance Bank Guarantee dtd. 11.07.2024.

Dear Sir/Madam,

1. With reference to Tender no. CMSS/PROC/2023-24/NTEP/042. Purchase Order for 1,74,44,160 strips (strip of 28 tablets) were awarded to M/s Centurion Laboratories as per following Delivery schedule:

PO No.	Quantity (Strips)	Order Value (Rs.)	Delivery Schedule from LOA Date
CMSS/PROC/2023-24/NTEP/042/003	1,74,44,160	226,47,82,270.4670	Tranche 1 within 60 days from date of issue of LOA i.e. up to 30.04.2024 Tranche 2 within 61-90 days i.e. up to 30.05.2024 Tranche 3 within 91-120 days i.e. up to 29.06.2024 Tranche 4 within 121-150 days i.e. up to 29.07.2024 Tranche 5 within 151-180 days i.e. up to 28.08.2024 Tranche 6 within 181-210 days i.e. up to 27.09.2024

2. For Purchase Order No. CMSS/PROC/2023-24/NTEP/042/003, the supplier did not supply the item within delivery schedule and significantly delayed the supplies. Within delivery scheduled delivery period of 30.04.2024, the supplier didn't make any supplies. An extension of 30 days was given to supplier but the supplier again failed to supply the DSTB CP (A) within extended delivery period till



31.05.2024. Thereafter, two more extensions have been given each for 30 days. However, the supplies have not been completed. The latest supply status is as under:

Sl. No.	Tranche	Lot	Quantity (in Strips)	Last Date of Delivery	Extended Delivery	Quantity Supplied (in Strips)	Supplied Percentage	POI due till date (in Strips)	POI Offered (in Strips)
10282400059	01-03-2024	1	3256243	30-Apr-24	31-July-24	94,000	3%	10,61,880	4,50,000
		2	3256243	30-May-24	NA	0			
		3	3256243	29-Jun-24	NA	-			
		4	3256243	29-Jul-24	NA	-			
		5	3256244	28-Aug-24	NA	-			
		6	1162944	27-Sep-24	NA	-			
TOTAL			1,74,44,160			94,000	0.53%		

- From above table, it is observed that M/s Centurion Laboratories Pvt. Ltd. have supplied only 94,000 Strips of DSTB CP(A) (approx. 3%) for Tranche-1 till date and another quantity of 15,11,880 strips is under inspection/dispatch.
- Various levels of review meetings were held with you and in every meeting, you committed a new date for supply due to API issue. A review meeting under the chairmanship of DG and CEO CMSS was held on 04/04/2024 wherein the supplier was instructed to initiate the supplies immediately. Various other meetings were held with the supplier and also at the highest level, but the supplier failed to deliver the goods.
- A show-cause notice was issued on dated 17/05/2024 by CMSS to M/s Centurion Laboratories Pvt. Ltd. to provide detailed explanation till 22/05/2024 to take appropriate actions as per tender clause no. 13.6, 14.3 (a), 18.1 and 20.2 of tender document to short close the Purchase Order at the risk and cost of the defaulting vendor, to forfeit the performance security and debar/blacklist the supplier.
- The supplier submitted reply vide email dated 22.05.2024. The response submitted by the supplier was not satisfactory as the supplier requested for another extension in Tranche 1 supplies till 10.08.2024 and 60 days for subsequent tranches. Hence, the supplier was called for personnel hearing on 31.05.2024.
- On 31.05.2024, the supplier informed the following (Ref. 31/c):
"With ref to our earlier letters and mails and last reply of your show cause notice, we are thankful to you for giving personal hearing today. As informed by us from beginning that we will not be able to supply this drug fully as per schedule, we request you to consider shortage of API & we will supply this drug maximum possible about 45000 /50000 strips per day I e 2.7 to 3 lakhs strips per week (about 10-12 lakhs strips



per month and rest of requirements may be covered by you from L2 or other bidders so that patients do not suffers.

We request not to blacklist us to continue our supply so that you will get some relief of supply condition at cheaper price and provide some relief to patients as anyone supplier will not be able to supply such large quantities & it will create shortage. Again, PDI for one lot as informed by us is done today and it will continue as above so please consider our request not to blacklist us which will affect total supply from us for this and other TB & HIV drugs also We promise to improve supply conditions of all these drugs. We hope you will consider our request sympathetically for mutual benefit and oblige us".

8. Letter Dtd. 14.06.2024 by M/s Centurion Laboratories Pvt. Ltd. received and informed the following:

With reference to yesterday's meeting with our Directors, please note that we will offer PDI for this drug 1st tranche 462000 strips till 20.06.2024. In addition to 94000 strips were already supplied on dated 31.05.2024 to CMSS-Ahmadabad ware house for which e-Aushadhi receiving is pending. And we have offered PDI on 10.06.2024 for 126600 strips but till today PDI confirmation is pending, may be due to extension not given.

We can also further offer PDI on the basis of Raw Material and Packing material ready stock of 423000 strips till 25.06.2024 & 423000 strips on 30.06.2024 and 235000 strips on dated 07.07.2024. So total 1763600 strips will be completed till 07/07/2024. Due to shortage of API other bidders who got the order before us covered the API hence we could arrange API from May'2024 so we could start production late. We can complete I' tranche on 31.07.2024 & rest of each tranche can be completed in further 60 days as we have already given orders for raw materials & packing materials to be received within the required time.

If you invite new risk purchase tender then also it will take 3 months to finalize the tender formalities which will create shortage of medicine during this period & supply from new bidder may take other 6 months so total 9 months will be required for total supply. As well as new rates will be very higher and it will become unnecessary expenses.

Actually your requirement is for whole year but tender supply asked was too short in just 6 months. We hope you will consider our request to supply further drugs with extension of further 60 days for each tranche from now onward and co-operate us. Otherwise we will be financially in trouble due recovery of risk purchase.

We are very sorry for delay supply due to shortage of API as informed to you by our various mails & letters since March'24. Also please look our past tender ANTI TB supply which is all are within time line.

Once again expecting your co-operation and our assurance to avoid non-availability during the period new tender is finalized.

9. With reference to the subject mentioned above, it is informed that the reply of show cause notice submitted by you vide letter & email dated 31/05/2024 and 14/06/2024 was examined by the competent authority and it was decided to cancel the order for tranche-2 and 3 unsupplied quantity and also forfeit its PBG for default in supplies. The CMSS decision was communicated to you vide letter dated 08/07/2024. The same has been accepted by you vide your letter No. CLPL/CMSS-042/24-25/03 dtd. 11.07.2024.



10. In conspectus of the factual position set out hereinabove, it is clear that your firm has failed to abide by the Delivery Schedule in respect of PO No. 10282400059. The stipulated date for completion of supplies against Tranche-I was 30.04.2024. However, the supplies have not been completed till date, notwithstanding CMSS granting two extensions to the delivery date by way of Amendments to the aforesaid PO dated 01.05.2024, 26.06.2024 and 12.07.2024. Moreover, Centurion has not communicated a firm date for completion of supplies, requesting an extension of 30 days by emails dated 01.06.2024, 03.06.2024 and 04.06.2024, followed by a request for extension by 120 days vide communication dated 08.06.2024 for supplying drugs in respect of Tranche-I.
11. Your Firm by its communications dtd. 31.05.2024 has admitted that your firm would not be able to complete supplies within the stipulated delivery schedule and has accordingly, requested CMSS to foreclose Tranche-I & Tranche-II and procure the corresponding quantity from the L-2 bidder or any other bidder.
12. From the communications issued by your firm and its conduct, it is apparent that your firm did not have the requisite facility in place to meet the supplies as per the delivery schedule. Also, Your Firm has in several communications admitted that it does not have sufficient supplies of APIs to manufacture DSTB. Accordingly, the schedule for delivery proposed by your firm in its communication dated 22.05.2024 shows that it would only be able to complete supplies by August 2025 as opposed to the outer limit for delivery of tendered drugs being 27.09.2024 as per the PO. Thus, resulting in significant delay, of close to a year, in completing supplies. As per clause 18.4 of tender documents which states that "*Timely supply is the essence of contract/ Purchase order. The drugs/medicines/items ordered are meant for key National programmes & delay in supply can have the adverse impact on patients can derail the critical National level Disease Control Programme.*" As such you should have ought to have had the necessary supply chain and production capabilities prior to participating in the Tender.
13. Please note the significant delays in supply resulted into crisis in Anti TB Drugs among patients and hence, severely affected the National Programme. Please note that Pradhan Mantri TB Mukh Bharat Abhiyaan is initiated with the target that TB will be eliminated from INDIA till 2025 which cannot be possible without supply of essential drugs to the patients.
14. To run the National programme and your non supply issues, CMSS had to float a Limited Tender for the subject drug i.e. DSTB CP (A) which resulted into huge losses to exchequer by giving additional Purchase Order through limited tender at higher rates.
15. Tender provisions in case of default in supplies as under:

5 vi -(b) If any fraud, short supply of goods is detected on part of the bidder at any stage, the bid or work order/ Purchase order issued to the bidder is liable to be cancelled and further necessary action against the bidder including debarring/blacklisting will be taken.



xi. Purchaser reserves the right to debar/ blacklist a bidder for a suitable period in case he fails to honour his bid/contract without sufficient grounds.

14.3(a) The supplier shall supply the ordered quantity within minimum required period of 60 days (or as mentioned in LOA/PO) from the date of award at the destinations mentioned. If the above day happened to be a holiday for CMSS, the supply should be completed by 5.00 PM on the next working day. In case of non-execution of the order either partially or fully, CMSS reserves the right to cancel the purchase order or place fresh purchase orders on alternative source at the risk and cost of the default supplier. In such cases the CMSS, has every right to recover the cost and impose penalty including blacklisting of the supplier and the product.

18.4 Timely supply is the essence of contract/ Purchase order. The drugs/medicines/items ordered are meant for key National programmes & delay in supply can have the adverse impact on patients can derail the critical National level Disease Control Programme:

For each lot/tranche, the delivery schedule (dates) are mentioned in the LOA/PO. The vendors are to make every effort to complete the delivery of each Lot/Tranche as per delivery schedule mentioned in the LOA/PO.

In continuation to provisions of liquidated damages clause no. 18, it may be noted that:

If the vendor is not able to supply the total qty. of each lot/tranche within the scheduled delivery dates, the following may be noted:

- a. The supplier will not dispatch/supply stocks/goods after the last date of scheduled delivery of the Lot/Tranche without PO amendment issued by procurement wing.
- b. CMSS Warehouses/Direct consignees would not accept any stock/goods of any Lot/tranche beyond scheduled delivery period in absence of delivery extension PO amendment. E-Aushadhi software functionality has been made that CMSS WHs would not be able to receive the goods (GRN creation barred). These consignees will accept the stocks beyond scheduled delivery date only if Procurement wing has issued PO Amendment for delivery extension.
- c. No extension of the delivery date would be granted suo motu unless the supplier specifically asks for it. However, in a few cases, it may be necessary to grant an extension of the delivery period suo motu in the interest of the administration. In such cases, the supplier should mandatorily submit clear acceptance of the extension letter.
- d. If at any time during the currency of the contract, the supplier encounters conditions hindering delivery of goods, he shall promptly inform the concerned officer in writing. The supplier/vendor should raise request for delivery time extension well in advance i.e. at least 15 days before scheduled delivery date, should mention the likely duration within which it intends to complete the supplies and request for extension of delivery schedule accordingly. On receiving the supplier's communication, CMSS shall examine the proposal and on approval from the CA, may consider issuing delivery extension with/without LD provided: -
 - i. That there are sufficient grounds for acceptance of such requests.
 - ii. That there is no falling trend in prices for this item as evidenced from the fact that, in the intervening period, neither orders have been placed at rates lower than this contract nor any tender been opened where such rates have been received even though the tender is not yet decided.
- e. In such cases, for delivery extension, PO amendment would be issued and the supplier should mandatorily supply the goods in extended time period.
- f. Vendors are strictly advised not to deliver/transport any consignment reaching beyond scheduled delivery date without proper PO amendment issued by Procurement wing of CMSS, as it would not be received by consignees. CMSS shall not process any bills of such supplies if made beyond LOA/PO



delivery schedule and without any PO amendment. For such actions, vendor would be solely responsible.

- g. If the supplier again fails to deliver the balance quantity within extended time, CMSS reserves the rights/options to procure the undelivered quantity from other approved supplier available in the contract at the same rates (with no financial implication and without regular tender to save time) or from open market at the risk & cost of the defaulting supplier (which may be with financial implication) or grant further extension if deemed fit.

Note- Vendors may note that it may not be necessary that each request for extension in delivery dates is accepted and scheduled delivery date is extended by CMSS.

- h. After completion of complete LD period, if the supplier/vendor still fails to deliver goods (or a part of it) within extended timelines, actions against the supplier/vendor may be initiated for default in supplies as per terms & conditions stipulated in the tender including:-

- i. CMSS reserves the rights/options to short close the delayed lot/tranche undelivered without going for purchase of balance quantity or

ii. Short close the delayed lot/tranche and go for procurement of the undelivered quantity from other approved supplier available in the contract at the same rates (with no financial implication) or from open market at the risk & cost of the defaulting supplier (which may be with financial implication).



For repeated defaults in delivery in same or various POs, to debar such habitual defaulting vendor for suitable period.

In view of the aforesaid and given the serious consequences of the breaches by M/s Centurion Laboratories Pvt. Ltd., CMSS is constrained to issue the present Show Cause Notice calling upon M/s Centurion Laboratories Pvt Ltd to explain why the CMSS should not initiate proceedings to debar/ blacklisting of M/s Centurion Laboratories Pvt. Ltd. for a period of two (2) years for all CMSS Tenders for default in supply as per Tender Terms and conditions.

You are requested to provide your detailed explanation by 19/07/2024 and in case failing to do so, it will be presumed that you have nothing to say in this regard and appropriate actions as per tender provisions as deemed fit will be taken in accordance with the Tender document.

This is issued with the approval of competent authority.

With kind regards,


(Pramod B. Somanathe)
GM (Procurement)
Vice President
Chairman
New Delhi - 21




A Government recognized
Export House

CLPL/CMSS-042/24-25/03

Centurion Laboratories Pvt. Ltd.

P-2, Bio-tech Park, Manjusar, Savli, Dist. Vadodara-391775, INDIA.

Date: 11.07.2024

To,
The DG & CEO
Central Medical Services Society,
IInd Floor, VishwaYuvak Kendra,
Teen Murti Marg, Chanakayapuri,
New Delhi-110021

Subject: Cancellation of order for 6512486 strips (strips of 28 tablets) of DSTB CP(A) & request for non-forfeiture of Performance Bank Guarantee for Rs 6,79,43,470/-

Reference:- CMSS Letter No CMSS/PROC/2023-24/NTEP/042/656 Dated 8-7-2024

Our Previous Letter No.: CLPL/CMSS-042/24-25/01 Dtd 10.07.24 & CLPL/CMSS-042/24-25/02 Dtd 10.07.24

Respected Sir,

This is in reference to the above said letter dated 8-7-2024 received from CMSS against default in supply of Drug DSTB (CP-A) against CMSS tender no. CMSS/PROC/23-24/NTEP/42.

We acknowledge the receipt of your letter and accept the cancellation of 2nd & 3rd tranche against CMSS PO No -10282400059 as mentioned in para 10(i).

However, we request to review the forfeiture of bank guarantee submitted (BG No - 429GT02240880007 for Rs 6,79,43,470.00/-) as per para 10(ii) of the letter. We request that we will deposit equivalent amount of Rs 67943470/- (Rupees Six crore Seventy Nine Lakh Forty Three Thousand Four Hundred Seventy only) in lieu of the forfeiture of the performance bank guarantee as above.

Being a MSME entity with number of continuing purchase orders from CMSS and other state governments, the forfeiture of the BG will impact our CIBIL score and existing credit arrangement with our bankers. Further it will adversely affect our overall financial status in the market and disrupt our ongoing supply to CMSS and other state governments.

Notwithstanding the provision of the Terms and conditions of the contract, we again request for non-forfeiture of the bank guarantee and accept payment in lieu of forfeiture in compliance of the para 10(ii) of your letter dated 8.7.2024.

We hereby undertake to remit Rs 6,79,43,470/- to CMSS as per the following schedule

1. We have already remitted Rs 2,00,00,000/- to CMSS on 10.07.2024 vide RTGS no-HDFCR52024071074035721
2. We have remitted an additional amount of Rs 50,00,000/- to CMSS today vide RTGS no-HDFCR52024071174259879
3. The balance amount of Rs 4,29,43,470/- will be remitted to CMSS by end of date 15-07-2024.

Accreditation : EU GMP | WHO-GMP | FDA-Philippines | SDA-Uganda | PPB-Kenya | TMDA-Tanzania
FDA-Ghana | MOH-Yemen | PMRA-Malawi

CIN: U73100GJ2006PTC049620 UAN : GJ24B0004621

Regd. & Admin off.: Plot No.: G/6, BDC, Gorwa, Dist. Vadodara-390016, Gujarat, INDIA.

Plant Address : P-2, Bio-tech Park, Manjusar, Savli, Dist. Vadodara. -391775, Gujarat, INDIA.

Phone : (+91) 2652261074, Mob : +91 9558205209, +91 9913618596, Fax : +91 2652260436.

E-Mail : mahipal@centurionremedies.com, ceo@centurionlaboratories.in, info@centurionlaboratories.in

Visit us at : www.centurionlaboratories.com





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Centurion Laboratories Pvt. Ltd.

P-2, Bio-tech Park, Manjusar, Savli, Dist. Vadodara-391775, INDIA.

We request you to communicate to our banker, HDFC bank to hold the forfeiture of the PBG till 15-07-2024.

After remittance of the entire amount of Rs 6,79,43,470/-, CMSS may further communicate our banker regarding cancellation of the above said PBG .

Hoping for a positive response to our request.

Thanking you in advance

Thanking you,
Yours Faithfully

For CENTURION LABORATORIES PVT. LTD.

Authorized Signatory



Accreditation : EU GMP | WHO-GMP | FDA-Philippines | NDA-Uganda | PPB-Kenya | TMDA-Tanzania
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CENTRAL MEDICAL SERVICES SOCIETY
2nd Floor, Vishwa Yuvak Kendra, Pandit Uma Shankar Dikshit Road,
Chanakyapuri, New Delhi-110021
Email ID: gmproc1@cmss.gov.in; agmproc4@cmss.gov.in

Ref: CMSS/PROC/2023-24/NTEP/042/ 656

Dated - 08/07/2024

To,

M/s Centurion Laboratories Pvt Ltd,
Plot No.- G/6, B.I.D.C, Gorwa Distt.
Vadodara-390016, Gujarat, INDIA

Subject: Cancellation of the unsupplied quantity i.e. 65,12,486 Strips (Strip of 28 tabs.) of DSTB CP (A) under 2nd and 3rd tranche and forfeit the Performance Security of Rs. 6,79,43,470/- of M/s M/s Centurion Laboratories Pvt. Limited against Tender No: CMSS/PROC/2023-24/NTEP/042 for Procurement of DSTB Regimen (opened on 30.10.2023).

Dear Sir/Madam,

1. With reference to tender no. CMSS/PROC/2023-24/NTEP/042, M/s Centurion Laboratories Pvt. Ltd. had quoted DSTB CP (Adult).
2. Purchase Order (PO) dated 02/04/2024 was issued to M/s Centurion laboratories Pvt Ltd for supply of DSTB CP (Adult) as per following details:

PO No.	Quantity (Strips)	Order Value (Rs.)	Delivery Schedule from LOA Date
CMSS/PROC/2023-24/NTEP/042/003	1,74,44,160	226,47,82,270.4670	Tranche 1 within 60 days from date of issue of LOA i.e. upto 30.04.2024 Tranche 2 within 61-90 days i.e. up to 30.05.2024 Tranche 3 within 91-120 days i.e. up to 29.06.2024 Tranche 4 within 121-150 days i.e. up to 29.07.2024 Tranche 5 within 151-180 days i.e. up to 28.08.2024 Tranche 6 within 181-210 days i.e. up to 27.09.2024

3. For PO No. CMSS/PROC/2023-24/NTEP/042/003, the supplier did not supply the item within delivery schedule and significantly delayed the supplies.
4. Various levels of review meeting were held with the supplier and in every meeting, they committed that a new date of supply due to API issues.
5. The supplier requested for extension of DSTB CP (A) and extension was granted till 31.05.2024. Supplier again defaulted the supplies.



6. A show-cause notice was issued on dated 17/05/2024 by CMSS to M/s Centurion Pvt. Ltd. to provide detailed explanation till 22/05/2024 to take appropriate actions as per tender clause no. 13.6, 14.3(a), 18.1 & 20.2 of tender document to short close the Purchase Order at the risk and cost of the defaulting vendor, to forfeit the performance security and debar/blacklist the supplier. The tender clauses of tender document are reproduced below:

Clause 13.6: If the lowest supplier has failed to supply the required items within the stipulated time or within the extended time, as the case may be, CMSS may cancel such purchase orders and on cancellation, CMSS may place Purchase Orders with the Matched Lowest Tenderer or to the other tenderers at the risk and cost of the defaulted supplier.

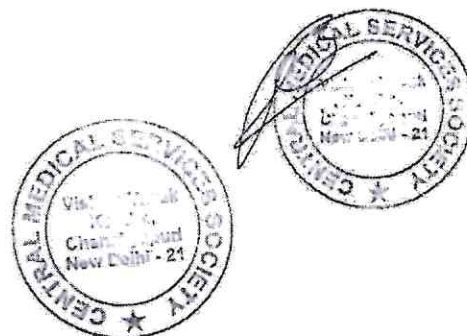
Clause 14.3(a): The supplier shall supply the ordered quantity within minimum required period of 60 days (or as mentioned in LOA/PO) from the date of award at the destinations mentioned. If the above day happened to be a holiday for CMSS, the supply should be completed by 5.00 PM on the next working day. In case of non-execution of the order either partially or fully, CMSS reserves the right to cancel the purchase order or place fresh purchase orders on alternative source at the risk and cost of the default supplier. In such cases the CMSS, has every right to recover the cost and impose penalty including blacklisting of the supplier and the product.

Clause 18.1:

Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule specified by the purchaser in its LOA/purchase order. In case the supply is not completed in the stipulated delivery period, as indicated in the LOA/purchase order or in case of non-submission of Security Deposit within the stipulated time, purchaser reserves the right either to short-close/cancel this LOA/purchase order and/or recover liquidated damage charges. The cancellation/short-closing of the LOA/Purchase order shall be at the risk and responsibility of the supplier and purchaser reserves the right to purchase balance-unsupplied quantity at the risk and cost of the defaulting vendor. This purchase at the risk and cost of the defaulting vendor can be at the same L1 cost of the tender or at higher cost and can be met through other vendors available in the present tender/contract or through any vendor from the open market. Any additional cost towards this risk purchase will be entirely borne/adjusted from running bills/demanded from the defaulting vendor.

Repeated/habitual delays by the supplier in the performance of its delivery obligations shall render the supplier liable to any or all of the following sanctions; imposition of liquidated damages, forfeiture of its performance security, and/or termination of the contract for default and purchaser reserves the right to purchase balance-unsupplied quantity at the risk and cost of the defaulting vendor.

If the suppliers are not completed in the extended delivery period, the purchase order may be short closed without any compensation to supplier and the performance security shall be forfeited.



Quantum of liquidated damages assessed and levied by the purchaser shall be final and not challengeable by the supplier.

Purchaser reserves the right to debar/blacklist the supplier for a suitable period who habitually failed to supply the goods/services in time. The decision of purchaser will be final and binding."

Clause 20.2: The CMSS will be at liberty to terminate, without assigning any reasons thereof, the contract either wholly or in part or short closed on 30 days' notice. The Tenderer will not be entitled for any compensation whatsoever in respect of such termination besides forfeiture of Security Deposit and purchaser reserves the right to purchase balance- unsupplied item at the risk and cost of the defaulting vendor.

7. The supply position against the Purchase Order is as under:

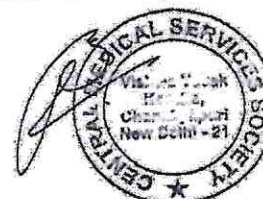
Supply position against the Purchase Order is as under:							
PO No.	PO Date	Sl. No.	Item No.	Delivery Date	Quantity	Percentage	
10282400059	01-03-2024	1	3256243	30-Apr-24	94,000	3%	
		2	3256243	30-May-24	NA	0	
		3	3256243	29-Jun-24	NA	-	
		4	3256243	29-Jul-24	NA	-	
		5	3256244	28-Aug-24	NA	-	
		6	1162944	27-Sep-24	NA	-	
TOTAL			1,74,44,160		94,000	0.53%	

8. From above table, it is observed that M/s Centurion Laboratories Pvt. Ltd. have supplied only 94,000 Strips of DSTB CP(A) (approx. 3%) for Tranche-1 till date within the extended delivery schedule as per Purchase Order and rest quantity was delayed beyond the extended delivery schedule. Another extension was granted till 30-06-2024.

9. After its extension till 30.06.2024, M/s Centurion Laboratories Pvt. Ltd. vide email dtd. 26.06.2024 had submitted a request to extend the delivery period till 31.07.2024 for Tranche 1 quantities and requested PDI for 9,64,920 strips. The PDI was done on 27.06.2024 for 9.64 lac. Strips. Also, the supplier had requested for PDI on 15.07.2024 for about 4.5 lakh strips.

10. The default in supplies has been examined by the competent authority and following decisions have been taken:

- As per tender document clause no. 13.6, 14.3(a), 18.1 and 20.1 under ref no. CMSS/PROC/2023-24/NTEP/042, the balance un-supplied quantity i.e. 65,12,486 Strips (Strip of 28 tablets) of DSTB CP (A) under 2nd and 3rd tranche in PO No. CMSS/PROC/2023-24/NTEP/042/003 dated. 02/04/2024 (No. 10282400059/BOTH (PDI and NON-PDI)/ Domestic Fund -DF) is hereby



cancelled at the risk and cost of defaulting supplier i.e. M/s Centurion Laboratories Pvt. Ltd. The supplier will continue to execute the remaining contract i.e. other tranches. Accordingly, the delivery period of 1st tranche will be extended upto 31.07.2024 with applicable LD and Deniel clauses, for which a separate amended Purchase Order will be issued.

- ii. The performance security of Rs. 6,79,43,470 (BG No.429GT02240880007, Bank Name-HDFC Bank, Issue Date- 28/03/2024, Validity- 30/09/2027) submitted by M/s Centurion Laboratories Pvt. Ltd. for the said item shall also be forfeited in accordance with the terms & conditions of the contract.

This is issued with the approval of competent authority.

With kind regards,

General Manager (Proc)

- Copy to: (i). DDG, NTEP, MoHFW- for information
(ii). GM (Finance), CMSS- To forfeit the performance security as detailed above.
(iii). All GM & AGM, CMSS- for information.





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P-2, Bio-tech Park, Manjusar, Savli, Dist. Vadodara-391775, INDIA.

CLPL/CMSS-042/24-25

Date: 14.06.2024

To,
The DG & CEO,
Central Medical Services Society,
1st Floor, VishwaYuvak Kendra,
Chanakayapuri,
New Delhi-110021

Sub: Regarding supply quantity of Item -DSTB-CP (Adult) 3 FDC IIC-1811

Ref. Tender No.: CMSS/PROC/2023-24/NTEP/042

PO No.: 10282400059 dated 02.04.2024

Respected Sir,

With reference to yesterday's meeting with our Directors, please note that we will offer PDI for this drug 1st tranche 462000 strips till 20.06.2024. In addition to 94000 strips were already supplied on dated 31.05.2024 to CMSS-Ahmadabad ware house for which e-Aushadhi receiving is pending. And we have offered PDI on 10.06.2024 for 126600 strips but till today PDI confirmation is pending, may be due to extension not given.

We can also further offer PDI on the basis of Raw Material and Packing material ready stock of 423000 strips till 25.06.2024 & 423000 strips on 30.06.2024 and 235000 strips on dated 07.07.2024. So total 1763600 strips will be completed till 07/07/2024. Due to shortage of API other bidders who got the order before us covered the API hence we could arrange API from May'2024 so we could start production late. We can complete 1st tranche on 31.07.2024 & rest of each tranche can be completed in further 60 days as we have already given orders for raw materials & packing materials to be received within the required time.

If you invite new risk purchase tender then also it will take 3 months to finalize the tender formalities which will create shortage of medicine during this period & supply from new bidder may take other 6 months so total 9 months will be required for total supply. As well as new rates will be very higher and it will become unnecessary expenses.

Actually your requirement is for whole year but tender supply asked was too short in just 6 months. We hope you will consider our request to supply further drugs with extension of further 60 days for each tranche from now onward and co-operate us. Otherwise we will be financially in trouble due recovery of risk purchase.

We are very sorry for delay supply due to shortage of API as informed to you by our various mails & letters since March'24. Also please look our past tender ANTI TB supply which is all are within time line.

Once again expecting your co-operation and our assurance to avoid non-availability during the period new tender is finalized.

Thanking you,
Yours Faithfully,
For CENTURION LABORATORIES PVT. LTD.

Authorized Signatory

Accreditation : EU GMP | WHO-GMP | FDA/Philippines | NDA-Uganda | PPB-Kenya | TMDA-Tanzania
FDA-Ghana | MOH-Yemen | PMRA-Malawi

CIN: U73100GJ2006PTC049620 UAN: GJ24B0004621

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Centurion Laboratories Pvt. Ltd.

P-2, Bio-tech Park, Manjusar, Savli, Dist. Vadodara-391775, INDIA.

CLPL/CMSS-042-PH/24 25

Date: 31.05.2024

To,
The DG&CEO,
Central Medical Services Society,
Ind Floor, VishwaYuvak Kendra,
Teen Murti Marg, Chanakayapuri,
New Delhi-110021

Sub: Representation & request regarding personal hearing for DSTB-Adult 3 fdc supply today on 31/5/24 Tender No.CMSS/PROC/2023-24/NTEP/042

Dear Sir,

Good morning & greetings with ref to our earlier letters and mails and last reply of your show cause notice. we are thankful to you for giving personal hearing today.

As informed by us from beginning that we will not be able to supply this drug fully as per schedule. We request you to consider shortage of API & we will supply this drug maximum possible about 45000 /50000 strips per day i.e 2.7 to 3 lakhs strips per week (about 10-12 lakhs strips per month and rest of requirements may be covered by you from L2 or other bidders so that patients do not suffers.

We request not to blacklist us to continue our supply so that you will get some relief of supply condition at cheaper price and provide some relief to patients as anyone supplier will not be able to supply such large quantities & it will create shortage. Again PDI for one lot as informed by us is done today and it will continue as above so please consider our request not to blacklist us which will affect total supply from us for this and other TB & HIV drugs also.

We promise to improve supply conditions of all these drugs. We hope you will consider our request sympathetically for mutual benefit and oblige us.

Thanking you with best regards
Centurion laboratories Pvt Ltd.
AV Patel

Handled on personal hearing on 21/5/24
G.M. (Dres)
AGM (53)
21/5

Accreditation : EU GMP | WHO-GMP | FDA Philippines | NDA-Uganda | PPB-Kenya | TMDA-Tanzania
FDA-Ghana | MOH-Yemen | PMRA-Malawi

CIN: U73100GJ2006PTC049620 UAN: GJ24B0004621

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E-Mail : mahipat@centurionremedies.com, ceo@centurionlaboratories.in, info@centurionlaboratories.in.

Visit us at : www.centurionlaboratories.com



CENTRAL MEDICAL SERVICES SOCIETY

(An Autonomous body under Ministry of Health & FW, Govt. of India)
2nd Floor, VishwaYuvak Kendra, Teen Murti Marg
Chanakyapuri, New Delhi 110 021

File No. CMSS/PROC/2023-24/NTEP/042

17.05.2024

To,

M/S Centurion Laboratories Pvt Ltd

Address: G-6, Industrial Estate, Gorwa, Vadodara, Gujarat

Phone: 0265-2282061

Email: info@centurionlaboratories.com

Kind Attn: Mr. Mahipat Ambalal Patel

Subject: - Show Cause Notice against Tender No. CMSS/PROC/2023-24/NTEP/42
Ref. Tender No.- CMSS/PROC/2023-24/NTEP/042.

Dear Sir,

This is in reference to the LOA dated 01.03.2024 issued to your firm for procurement of DSTB-CP (Adult). The due date of delivery for 1st Tranche was 30.04.2024 (60 days from the date of issue of LOA). However, you failed to deliver the deliverables within the timeframe stipulated within the tender terms and conditions and also detailed at the time of issuance of Purchase Order (PO).

Your firm, vide email dated: 23.04.2024 submitted a request for extension of delivery period for 1st Tranche by 45 days from the due date of delivery i.e. 30.04.2024 with applicable LD charges. Therefore, in accordance with the Program Division, the extension of 30 days in delivery period of Tranche-I was granted from the due date of delivery i.e. from 01.05.2024 to 31.05.2024 (with applicable LD as per Tender Terms).

It is worth noting that no supplies from your end have been received yet for any of the Tranches. Various meetings were held with regard to your non supply at highest levels also. A letter regarding seeking delivery plan was sent to your firm on 06.05.2024. In the response received from your firm, it was submitted that the 1st PDI of only 3 lacs strips will be offered on 30.05.2024. The response is not acceptable as you failed to supply the item nor in the scheduled delivery and neither within the extended timelines of 30 days.



You are hereby asked to complete the Tranche 1 supplies within the extended delivery period i.e. 30.05.2024 failing which *may lead to penal actions as per the tender terms and conditions including foreclosure/ cancellation of purchase orders, purchase of goods at your risk and cost, forfeiture of PBG and debarring/blacklisting of your firm* as per Tender clause 13.6, 14.3(a), 18.1 and 20.2. You may furnish your reply, if any, within 5 days from the date of issue of this letter.

This is however without prejudice to the tender Terms and Conditions.

Thanking You,

With Regards

