



# CENTRAL MEDICAL SERVICES SOCIETY

(An Autonomous Body under Ministry of Health & Family Welfare, Govt. of India)

2<sup>nd</sup> Floor, Vishwa Yuvak Kendra, Teen Murti Marg,  
Chanakyapuri, New Delhi-110021.



Ref: CMSS/PROC/2024-25/NTEP/016/ 382

Dated- 13/06/2025

To,

M/s Concept Pharmaceuticals Limited,  
801B, Hubtown Solaris, N.S. Phadke Marg,  
Off. Teli Galli, near Andheri Flyover,  
Andheri (East), Mumbai-400069,  
Email Id- [yugin@conceptpharma.com](mailto:yugin@conceptpharma.com), [chandraprakash\\_gupta@conceptpharma.com](mailto:chandraprakash_gupta@conceptpharma.com),  
M-9664411334.

Subject: Order for debarring of M/s Concept Pharmaceuticals Limited against Tender No: CMSS/PROC/2024-25/NTEP/016 (CPP Tender ID: 2024\_CMSS\_815678\_1, Dated 09/07/2024) for Procurement of DSTB Regimens (DSTB-IP (A) and DSTB-CP (A)) for NTEP (opened on 02/08/2024).

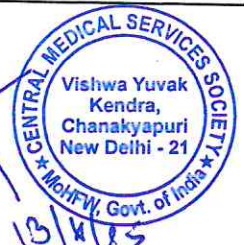
Dear Sir/Madam,

1. Against CMSS tender no. CMSS/PROC/2024-25/NTEP/016, M/s Concept Pharmaceuticals Limited was awarded Letter of Acceptance on dated 26/09/2024 for supply of 1,21,83,159 Strips of 28 tablets of DSTB IP (Adult)/ 4FDC-A) and Purchase Order (PO) dated 25/10/2024 was issued for the same as per following details:

PO No.	Quantity (Strips of 28 tablets)	Delivery schedule as per PO	Last scheduled delivery date
CMSS/PROC/2024-25/NTEP/016/137 & 10282400158	1,21,83,159	Tranche I: 18,57,878 within 60 days	25-11-2024
		Tranche II: 18,57,878 within 61-90 days	25-12-2024
		Tranche III: 18,57,878 within 91-120 days	24-01-2025
		Tranche IV: 18,57,878 within 121-150 days	23-02-2025
		Tranche V: 18,57,878 within 151-180 days	25-03-2025
		Tranche VI: 13,27,056 within 181-240 days	24-05-2025
		Tranche VII: 13,27,056 within 241-270 days	23-06-2025
		Tranche VIII: 2,39,657 within 271-300 days	23-07-2025

2. It was already in your knowledge that there was a critical stock position of DSTB-IP (A) and that the item was urgently required by the Programme Division. Accordingly, a risk purchase tender was floated at the risk and cost of the defaulting supplier, M/s J. Duncan Healthcare Pvt Ltd., and the supply order was awarded to you for the supply of DSTB-IP (A).

However, you failed to supply the item within the stipulated delivery timelines and caused significant delays. The supply of Tranche-1 was completed only by 25/02/2025, instead of the scheduled 25/11/2024, after granting four extensions in delivery. Similarly, Tranche-2 was supplied on 01/04/2025, against the committed date of 25/12/2024, after granting two extensions.



3. In view of the delay in the supply of DSTB-IP (A), a series of meetings were conducted by MoHFW and CMSS, both through physical and virtual modes. Additionally, representatives from MoHFW, CDSCO, and CMSS also visited the manufacturing facilities of M/s Concept Pharmaceuticals Limited.

In each of these meetings, your representative consistently assured that the supply of Tranche-1 would be completed within the extended delivery schedule and that there would be no delay in the supply of Tranche-2. However, despite these repeated assurances, you failed to adhere to the committed delivery timelines.

4. In light of the above facts, it is observed that you repeatedly sought extensions in the delivery schedule and failed to execute the contract satisfactorily, even within the extended timelines. Taking a serious view of this non-compliance, the Competent Authority issued a Show-Cause Notice (No. CMSS/PROC/2024-25/NTEP/016/107), dated 30/01/2025, to M/s Concept Pharmaceuticals Limited, requesting a detailed explanation by 03/02/2025.

The notice was issued to enable CMSS to consider initiating appropriate action as per clause 18.1 (a), (b), (c), (d) and (e) of the Tender Document. The proposed actions include:

- Short-closing the unsupplied quantity under Tranche-1, Tranche-2, and Tranche-3 of DSTB-IP (A);
- Procurement of the balance/unsupplied quantity at the risk and cost of the defaulting vendor;
- Forfeiture of Performance Security; and
- Debarment/blacklisting of the supplier.

The relevant provisions under clause 18.1 (a) to (e) of the Tender Document are reproduced below:

"(a). 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.

(b). 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.

(c). 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.

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





(e). 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."

5. You submitted your reply to the Show-Cause Notice via email dated 31/01/2025, which was duly examined by the Competent Authority. However, the response was found to be unsatisfactory. Subsequently, you again approached CMSS through your email dated 12/02/2025, requesting a further extension of the delivery schedule for Tranche-2 up to 31/03/2025. This request was accepted by CMSS, and the same was communicated to you through email along with the amended Purchase Order copy, dated 21/02/2025.
6. A second Show-Cause Notice (No. CMSS/PROC/2024-25/NTEP/016/151) was issued by CMSS on 28/02/2025, requesting you to submit a detailed explanation by 03/03/2025. The notice was issued to enable CMSS to consider initiating appropriate action under clause 18.1 (a), (b), (c), (d), and (e) of the Tender Document in the event of your failure to supply the full quantity of Tranche-2 of DSTB-IP (A) by the extended deadline of 31/03/2025. The proposed actions included:
- Short-closing of the unsupplied quantity under Tranche-2,
  - Procurement of the balance unsupplied quantity at your risk and cost,
  - Forfeiture of Performance Security, and
  - Debarment/blacklisting.

Additionally, you were asked to explain why similar action should not be taken for Tranche-3 and Tranche-4 of DSTB-IP (A) under the same tender clause, considering the continued failure in adhering to delivery commitments.

7. You submitted your reply via email dated 03/03/2025, which was duly examined by the Competent Authority. It was observed that the contents of your reply were largely repetitive of your earlier response to the first Show-Cause Notice and did not offer any new or satisfactory justification. Subsequently, CMSS issued a formal letter (No. CMSS/PROC/2024-25/NTEP/016/315) dated 08/05/2025, conveying the following decisions:
- i. As per tender document clause no. 18.1 (a), (b), (c), (d) & (e) of tender ref no. CMSS/PROC/2024-25/NTEP/016, the unsupplied quantity of DSTB IP (A) under Tranche 3, 4 & 5 i.e. 55,73,634 Strips of 28 tablets in PO No. CMSS/PROC/2024-25/NTEP/016/137 dated 25/10/2024 (No. 10282400158/BOTH (PDI and NON-PDI)/ Domestic Fund -DF) is hereby short closed at the risk and cost of defaulting supplier i.e. M/s Concept Pharmaceuticals Limited. Further, the supplier will continue their supply for rest tranche 6, 7 & 8 respectively. As such, the quantity already manufactured by them may be supplied in the tranche 6, 7 & 8.
  - ii. The performance security of Rs. 6,75,39,350/- (BG No. 853-02-0007937, Bank Name- DBS Bank India Ltd, Issue Date- 21/10/2024, Validity- 21/10/2027) submitted by M/s Concept Pharmaceuticals Ltd for the said item shall also be forfeited in accordance with the terms & conditions of the contract.
8. A third Show-Cause Notice (No. CMSS/PROC/2024-25/NTEP/016/341) was issued by CMSS on 19/05/2025 explicitly for debarring/blacklisting, requesting you to submit a detailed explanation by 22/05/2025. The notice sought clarification as to why CMSS





should not initiate proceedings for debarment/blacklisting of M/s Concept Pharmaceuticals Ltd in accordance with the provisions of clause 18.1 (a), (b), (c), (d) and (e) of the Tender Document and as per the Department of Expenditure's guidelines on blacklisting/debarring issued vide O.M. No. F.1/20/2018-PPD, dated 02/11/2021, for participation in future tenders of CMSS for DSTB-IP (A) for a period of one year.

You submitted your reply via email dated 22/05/2025, which was duly examined by the Competent Authority. However, it was observed that your response was not satisfactory, and you also requested a personal hearing as part of your reply to the show-cause notice.

9. Accordingly, a personal hearing was conducted on 28/05/2025 at 03:00 PM in the Conference Hall of the CMSS Office, Chanakyapuri, with M/s Concept Pharmaceuticals Ltd regarding the supply of DSTB-IP (A). The firm was represented by Shri C. P. Gupta, GM (Institutions) and Shri Sanjay Vasudev, Manager (Institutions).

10. During the meeting, the representatives from M/s Concept Pharmaceuticals Ltd stated that:

i. They agreed that they had supplied the item to CMSS with a delay of 90 days. However, they have never refused to supply the item. The reasons of delays are already mentioned by them in their submitted show cause reply. They reiterated the reasons for delay such as closure of China due to national holiday from 01/10/2024 to 07/10/2024, sudden demise of their chairman and Maharashtra elections etc. CMSS expressed condolences for the sad untimely demise of its chairman. However, the reasons submitted by M/s Concept for making delay in supply does not fall under the ambit of force majeure clause, as stipulated in the contract. As such, the contention of M/s Concept Pharmaceuticals Ltd is not justified.

ii. M/s Concept stated that they have been requesting since 24/03/2025 for extension of tranche-3, 4 & 5 before completion of supplies of tranche-2 and they received the letter from CMSS on 08/05/2025 mentioning that the unsupplied quantity of tranche-3, 4 & 5 have been short closed by CMSS. CMSS responded that the delivery schedule of tranche-3, 4 & 5 expired on 24/01/2025, 23/02/2025 & 25/03/2025 respectively and M/s Concept had not completed the supplies of tranche-2 on 24/03/2025. Hence, the request of M/s Concept on 24/03/2025 to extend the delivery schedule of tranche-3, 4 & 5, when supplies of tranche-2 are outstanding, is not as per provisions of contract. Further, CMSS refer the tender clause no. 18.4 (g), which is reproduced below:

*"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."*

As such, the contention of M/s Concept Pharmaceuticals Ltd is not justified.

iii. M/s Concept further stated that they received the Letter of Acceptance for two items i.e. DSTB-IP (A) and DSTB-CP (A) from CMSS on same day i.e. 26/09/2024 due to which their production was affected and they made the supply with delays. CMSS responded that both contracts are separate and the terms & conditions of both contract is different and that cannot be linked with each other. As such, the contention of M/s Concept Pharmaceuticals Ltd is not justified.



iv. CMSS enquired from the representatives of M/s Concept Pharmaceuticals Ltd that how much quantities of DSTB-IP (A) have been manufactured for CMSS which have not been delivered to CMSS till date. The representatives of M/s Concept Pharmaceuticals Ltd responded that approx. 13 Lakh strips of 28 tablets of DSTB-IP (A) are under manufacturing process and it will be completed within coming week.

CMSS responded that M/s Concept can supply these quantities in tranche-7 & 8. CMSS further informed that any delivery schedule extension in tranche-7 & 8 will not be granted by CMSS and requested from M/s Concept to supply the item within delivery schedule.

v. As such, the arguments put forth by them are not justified. The representatives of M/s Concept Pharmaceuticals Ltd requested to take sympathetic consideration.

11. The minutes of the personal hearing were shared by CMSS with M/s Concept Pharmaceuticals Ltd via email dated 30/05/2025. Your response in the personal hearing and earlier replies to show cause notices have been examined and subsequently, the Competent Authority has taken the following decision with immediate effect:

- i. M/s Concept Pharmaceuticals Ltd is hereby debarred by CMSS, in accordance with the tender terms & conditions and the Department of Expenditure's guidelines on blacklisting/debarring (O.M. No. F.1/20/2018-PPD, dated 02/11/2021), for a period of one year, i.e., from 13/06/2025 to 12/06/2026, from participating in any future tenders of CMSS for the item name DSTB-IP (A).

This is issued with the approval of competent authority.



With kind regards,

(Vijay Kumar Dhingra)  
In-charge GM (Procurement)

Copy to: (i). Director (EPW), MoHFW

(ii). All Programme Division (NACO/NTEP/NVHCP/FP/CHP/NCVBDC/UIP) of MoHFW

(iii). All Joint Director, GM & AGM of CMSS.

