



ODISHA STATE MEDICAL CORPORATION LTD.

(A Govt. of Odisha Undertaking)

Assuring Quality, Saving lives

Order No. : 15116 /OSMCL/QA/894/2018

Date : 29.09.2018

ORDER

M/s. Zee Laboratories Ltd., Uchani G.T. Road, Karnal, Haryana - 132001 was placed with orders to supply Lotion Permethrin (60ml) vide Purchase Order No. CR17964 dtd.19.01.2018. The firm supplied the drug in a number of batches, out of which four (04) number of batches have been declared as "Not of Standard Quality" (NSQ) by three approved NABL accredited laboratories empanelled by Odisha State Medical Corporation Ltd. (OSMCL), which were communicated to the supplier by enclosing the copies of test reports vide this Office letter No. 7008 dtd.21.05.2018 & No.9783 dtd.05.07.2018 under intimation to the State Drugs Controlling Authority, Nagar Panchayat Bhawan, Sai Road, Baddi, Dist-Solan, Pin-173205 (HP) vide Memo No. 7010 dtd.21.05.2018 & No. 9785 dtd.05.07.2018.

The details of batches of subject drug and the reason for declaring the said batches as NSQ are mentioned below.

Sl. No.	Batch No.	Mfg. Dt.	Exp. Dt.	Reason for declaring NSQ	Mfd. By
01	818-57	02/2018	01/2020	Sample of the batch does not comply w.r.t the test pH & Assay	M/s. Zee Laboratories Ltd., Behind 47, Industrial Area, Paonta Sahib - 173025
02	818-60	02/2018	01/2020	Sample of the batch does not comply w.r.t the test pH & Assay	
03	818-82	02/2018	01/2020	Sample of the batch does not comply w.r.t the test pH.	
04	818-84	02/2018	01/2020	Sample of the batch does not comply w.r.t the test pH.	

In view of the above M/s. Zee Laboratories Ltd. was issued with Show Cause Notice vide this office letter No. 10133 dtd.12.07.2018 seeking explanation within seven (07) days of receipt of the letter as to why it shall not be derecognised/blacklisted for the item Lotion Permethrin (60ml) for a period of three (03) successive years in accordance with PO Clause No.5(h)(ii) read with Bid Condition No. 6.39.8.1(ii) of Bid Reference No. OSMCL/2017-18/DRUGS-DHS/02.

In reply to the Show Cause Notice dtd.12.07.2018, the Noticee-firm vide letter dtd.18.07.2018 replied that they have got the samples of the above mentioned batches tested by a NABL lab and the results are found to be satisfactory. Further, as the matter was escalated to their State Drug Licensing Authority, Himachal Pradesh (HP), the Drugs Inspector, Paonta Sahib, has drawn the samples of the above batches along with other batches for testing by the Govt. laboratory and the results are awaited. The firm has requested to wait for the findings of Govt. laboratory before taking any decision in the matter.

(P.T.O)

That, with regard to the reply of the Noticee-Firm that the State Drug Licensing Authority, HP has taken the samples of batches i.e. 818-82, 818-60, 818-84, 818-57, 818-221, 818-210 & 818-217 of subject item in Form 17 & Form 17A has no bearing over this contract. Such questionable action of the Noticee-Firm relating to Form 17 & Form 17A is at his own volition. That, such reports will not be binding on this Corporation. Any Drug Manufacturer can resort to such practice of choosing his own Drug Licensing Authority and then may claim that the reports are in his favour and the firm should not be derecognised/ blacklisted for the item by OSMCL.

In order to avoid such kind of conflicting claims it was made clear in Condition No. 6.39.8.1(ii) of the Notice Inviting Tender (N.I.T) as well as in Clause No. 5(h)(ii) of the Purchase Order "In case of Not of Standard Quality (NSQ) report of the sample from the approved NABL Accredited Laboratory empanelled by OSMCL, two (02) other portions of the sample shall be sent to two (02) different laboratories empanelled by OSMCL and the majority of status report (out of three laboratory reports) related to Standard Quality (SQ)/ Not of Standard Quality (NSQ) shall be treated as final report".

OSMCL shall derecognise/ blacklist the defaulting supplier for that item for a period of three (03) years from the date of issue of letter to the concerned firm, "if two (02) or more batches of that item come out to be NSQ in the process mentioned above".

Following the above mentioned process, four (04) batches of subject item have been declared as NSQ by all the three empanelled laboratories for each batch for not complying the test pH & Assay.


It is to mention here that M/s. Zee Laboratories Ltd., in whose favour the Purchase Order was issued, has accepted the tender conditions and supplied the drug. Therefore, after its drugs are being declared as NSQ, as per the procedure envisaged in N.I.T, the firm cannot turn around and challenge the test reports contrary to the agreed terms.

Since reports of empanelled laboratories shall be acceptable to both OSMCL and the supplier as per terms and conditions of the tender, the reply of the firm in response to Show Cause Notice is not sustainable in the eye of law and therefore liable to be rejected.

That, as per PO Clause No.5(h)(ii) read with Bid Condition No. 6.39.8.1(ii) of Bid Reference No. OSMCL/2017-18/DRUGS-DHS/02, M/s. Zee Laboratories Ltd., Uchani G.T. Road, Karnal, Haryana - 132001 having manufacturing unit at Behind 47, Industrial Area, Paonta Sahib - 173025(HP) is hereby, derecognised/blacklisted for the item Lotion Permethrin (60ml) for a period of three (03) successive years from the date of issue of this order.

Continued.....

The Performance Security/ Bank Guarantee/ EMD submitted by the firm for the said item is hereby, forfeited & the firm shall not be allowed to participate in the tender process of Odisha State Medical Corporation Ltd. for the said item during the above mentioned period.


Archana Patnaik, I.A.S.
Managing Director, OSMCL

Memo No. 15117 /Dt. 29.09.2018

Copy forwarded to M/s. Zee Laboratories Ltd., Uchani G.T. Road, Karnal, Haryana – 132001 for information.


Managing Director,
OSMCL

Memo No. 15118 /Dt. 29.09.2018

Copy forwarded to DHS/DMET, Odisha for information and necessary action.


Managing Director,
OSMCL

Memo No. 15119 /Dt. 29.09.2018

Copy submitted to the Commissioner-cum-Secretary to Govt., H & FW Dept. Odisha, for favour of kind information.


Managing Director,
OSMCL

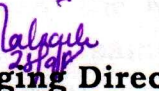
Memo No. 15120 /Dt. 29.09.2018

Copy forwarded to the GM – Operation (D & S)/GM (F & A), OSMC for information.


Managing Director,
OSMCL

Memo No. 15121 /Dt. 29.09.2018

Copy forwarded to Sr. Manager (IT), OSMC for information and necessary action.


Managing Director,
OSMCL