



Security Printing and Minting Corporation of India Limited

(A wholly owned Schedule 'A' Miniratna Category-I company of Government of India)

16th Floor, Jawahar Vyapar Bhavan, Janpath, New Delhi, Delhi – 110001, India

Tel: 011-23701225, 011-43582200, Email: info@spmcil.com, Web: <https://www.spmcil.com>

GLOBAL PRE-QUALIFICATION TENDER FOR “FORMATION OF TWO JOINT VENTURES” WITH SPMCIL FOR –

PART-I: MANUFACTURING OF ALL FORMS OF INKS, INCLUDING REACH COMPLIANT INKS, COLOR SHIFT INTAGLIO INK AND MANUFACTURING OF OVERPRINT VARNISH FOR COATING BANKNOTES

PART-II: MANUFACTURING OF COLOUR SHIFT PIGMENTS & SPECIAL EFFECT PIGMENTS

**Not Transferable
Security Classification: Security**

6000016992/BNP/P/IF/Joint Venture/2021/GT

Dated 25.11.2021

This PQB Document Contains 47 pages

Document is given to:

M/s _____
Address _____

Details of Contact person in SPMCIL regarding this tender:

Shri Diganta Kumar Deka

Additional General Manager (Materials)

Administration Block

Bank Note Press, Dewas (M.P.) 455001 India

Phone No. 07272-268253/268468/268464

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nitin.shrivastav@spmcil.com

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diganta.deka@spmcil.com



I. Pre-Qualification Tender

1. All bidders are required to submit sealed Pre-Qualification bid for formation of Joint Ventures with SPMCIL, for manufacturing of

- All forms of inks, including REACH Compliant Inks, Colour Shift Intaglio Ink and manufacturing of Overprint Varnish for coating Banknotes with an annual capacity of 600 MT per annum on requirement basis. (Hereinafter referred as "Proposed JV-Part I")
- Manufacturing of Colour shift pigments & other Special Effect Pigments, with an annual capacity of 10 MT per annum. (Hereinafter referred as "Proposed JV-Part II")

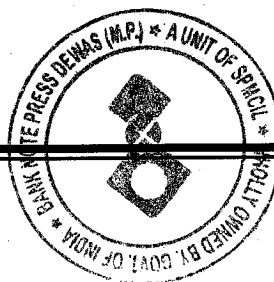
Outcome of this PQB and subsequent tenders will be for formation of two separate Joint Ventures (business model and form of Joint Ventures will be specified in subsequent tenders) with SPMCIL, for manufacturing of products mentioned above at the price, terms and conditions as agreed through the Memorandum of Understanding/ Contracts after completion of tendering process.

2. Initial tenure of the Joint Ventures will be for a period of-

- For Proposed JV- Part I of 7 years extendable for a further such period as found suitable by the SPMCIL.
- For Proposed JV- Part II of 7 years extendable for a further such period as found suitable by the SPMCIL.

However, it shall be clearly noted that the tenure of such Joint Venture agreement, SPMCIL/ Ministry of Finance, Government of India shall reserve the right to terminate Joint Venture agreement for security reasons.

3. PQB tender may be downloaded for free from SPMCIL website. However, if requested, the PQB documents will be mailed by registered post/Speed-Post to the domestic participants and by international air-mail to the foreign participants, for which charges per set of documents shall be Rs.500 within India and Rs.2500 for international air-mail. The participant is required to submit a separate Demand Draft drawn on SPMCIL, payable at Dewas, for postage charges along with his request for PQB documents. Any request received after the due date will not be entertained. Any delay in receipt of PQB

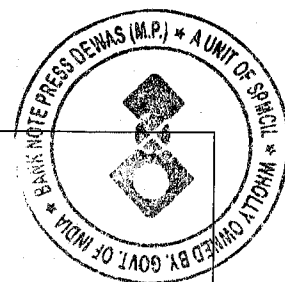


documents will not entitle any parties for extension of submission dates and SPMCIL will not be responsible for any such delays.

4. In this Pre-Qualification Tender shortlisting will be done on the basis of qualification criteria (Annexure II) and only of the bidders who are already security cleared/ will get security clearance by Government of India. General requirement of the security printing inks, overprint varnishes and pigments will be provided to only to qualified firms. PQB qualified firms will be allowed to participate in subsequent two-part tender (techno-commercial and price bid) for formation of two separate Joint Ventures.

5. Details of tender-

Type of Tender (Two Bid / PQB / RC / Development / Indigenization / Security item etc. Date of Publication of PQB documents	PQB
Price of the PQB Document	Free (Downloadable from SPMCIL website www.spmcil.com)
Closing date and time for receipt of PQB	11.01.2022 up to 14:30:00 Hrs
Place of receipt of PQB	BNP, Dewas
Time and date of opening of PQB	11.01.2022 at 15:00:00 Hrs
Place of opening of PQB	BNP, Dewas
Nominated Person / Designation to receive bulky documents	Shri Diganta Kumar Deka, Additional General Manager (Materials), Bank Note Press, Dewas.



The interested parties may obtain further information about this requirement from the above office. PQB documents may also be downloaded from the SPMCIL website: www.spmcil.com.

6. Interested parties shall ensure that their PQB documents, duly sealed and signed, complete in all respects as per instructions contained, are dropped in the tender box

located at the address specified on or before the closing date and time indicated in the Para 5 above, failing which their application for PQB will be treated as late and rejected.

7. In the event of any of the above-mentioned dates being declared as a holiday/ closed day for the purchase organization, the PQB document will be received / opened on the next working day at the appointed time.
8. SPMCIL is not responsible for any postal delay and the PQB shall not be accepted after due date and time. Further, interested parties must satisfy themselves about all the details required to be filled in the PQB before submission of details. All the pages of PQB documents as at Annexures, basic information and other supporting documents shall be duly stamped, signed and submitted.
9. SPMCIL reserves the right to accept/reject/cancel any or all PQB documents without assigning any reason thereof. SPMCIL also reserves the right to accept the PQB in whole or part. Incomplete documents, not submitted in accordance with the directions issued shall be liable for rejection.
10. The bidder should furnish the firm's name, full postal address (Office), country of origin, phone number and fax number, name of the authorized contact person and e-mail address.
11. The firm should not have been blacklisted /debarred for dealing by Government of India or any State Government in any manner and an undertaking should be submitted along with the PQB, to this effect.
12. The PQB documents are not transferable.

Digit 25-11-2017

Shri Diganta Kumar Deka

Additional General Manager (Materials)

For and on behalf of Chief General Manager
Administration Block

Bank Note Press, Dewas (M.P.) 455001 India

Phone No. 07272-268253/268468/268464

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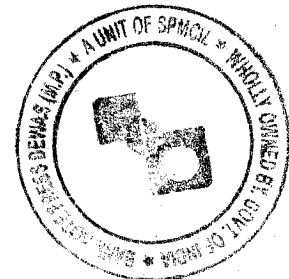
mangesh.kasvekar@spmcil.com

diganta.deka@spmcil.com

दिगंता कुमार डेका

अपर महाप्रबंधक (सामग्री)

बैंक नोट मुद्रणालय, देवास (म.प्र.)



II. Introduction

Security Printing and Minting Corporation of India Limited (SPMCIL), a wholly owned Schedule 'A' Mini-ratna Category-I company of Government of India, incorporated on 13th January, 2006. SPMCIL, has vast experience in Security Printing and Minting. The management, control, maintenance and operations of the erstwhile 9 production units under Currency and Coinage division, Department of Economic Affairs, Ministry of Finance, Government of India, was transferred to SPMCIL w.e.f. February 10, 2006. However, The Ministry of Finance exercises its administrative control over SPMCIL through Board of Directors.

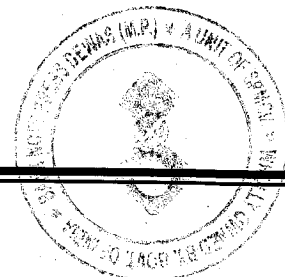
2. SPMCIL is engaged in the manufacture/ production of Currency and Banknotes, Security Paper, Non-Judicial Stamp Papers, Postal Stamps & Stationery, Travel Documents viz. Passport and Visa, Security certificates, Cheques, Bonds, Warrant, Special Certificates with security features, Security Inks, Circulation & Commemorative Coins, Medallions, Refining of Gold & Silver and Assay of Precious Metals.

3. Currently SPMCIL is catering its requirement of security inks from Ink Factory at Bank Note Press, Dewas which plays a pivotal role in shaping the Ink manufacturing capability in India across several sectors, including Bank Note Printing, Passport Printing, Various security stamps printing, Excise inks, Inks for paper making applications etc. mainly for India specific consumption.

It has established strong linkages with various premier research institutes in the country and is also having state of the art R&D and testing facilities at own campus in BNP, Dewas and Corporate R&D Center at CNP Nasik. BNP Ink Factory also has extensive experience in executing pilot projects in ink manufacturing and application trials in different printing presses on various machine configurations.

A brief overview of Ink Factory's core capabilities and strengths are detailed below.

- a) **Manufacturing facilities:** SPMCIL has one Ink manufacturing facility located in the campus of Bank Note Press in Dewas, Madhya Pradesh. Ink Factory's state-of-the-art facilities specialize in Ink Technology, manufacturing of varnishes for security inks, testing, pilot scale trials and application handholding.

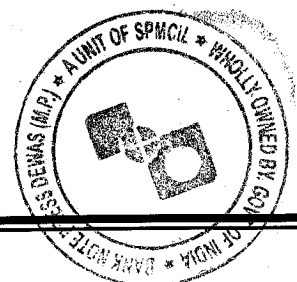


- b) **Manpower:** The manufacturing facility is supported by experienced officers, skilled Chemists and other supporting staffs to deliver value to its customers.
- D) **R&D facilities:** This factory has a dedicated infrastructure for R&D.
- E) **Land:** The unit has a huge land of over 450 acres which is centrally located in India (Dewas, MP) having good logistical support along with its existing manufacturing facilities.
- F) **Goodwill:** BNP Ink Factory's dedicated role in indigenization and supporting the country's development has amassed credibility to advocate big shifts in the country in close association with the Government, Research and Educational institutions, other public and private companies and industry associations. The achievements are recognized time to time from various organizations like CII, etc.
- G) **Exports:** The area is being explored to expand the horizon of customer base across the World.

4. Considering the ever-changing dynamic situation of global currency printing market, it is necessary that SPMCIL should tie up with a global leader in security ink manufacturing and formulate two Joint Ventures, for production of products mentioned in I.1. Therefore, this Pre-qualification tender is being floated for inviting expression and shortlisting of all the global leaders. It is voluntary on part of all bidders to provide their suggestions in Annexure V. After which two-part tender will be floated for selection of appropriate partner (s) for Joint Ventures. In which selection will be made on QCBS i.e. Quality cum Cost Based Selection basis.

An outline of this Procurement Process is given below:

1. Global PQB is floated for formulation of two Joint Ventures for production of Banknote Printing inks, overprint varnishes, CSI/ special effect pigments and only manufacturers of Banknote printing inks, overprint varnishes, CSI/ special effect pigments will be considered for participation in this PQB as per Annexure II.
2. Bidders are required to meet the qualification criteria and thereafter bidder should be security cleared by the Government of India, for qualifying in this PQB.



3. Bidders who are qualified and security cleared in this PQB will be issued with two-part tender. During the evaluation of the PQB and/or the technical bid against the two-part tender, SPMCIL reserves the rights to inspect the facilities of the bidder (s) to verify their claims.
4. Final selection of the Bidder will be based on QCBS i.e., Quality cum Cost Based Selection.

SCOPE:

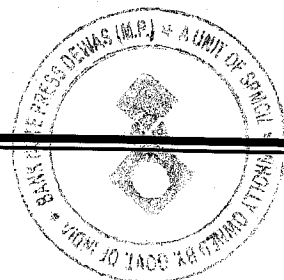
This PQB spells out the conditions for formation of two Joint Ventures at BNP Dewas. For manufacturing of Banknote Printing inks, overprint varnishes, CSI/ special effect pigments. The manufacturing infrastructure is already established as a part of contribution by SPMCIL for proposed Joint Venture Part-I. The proposed Joint Venture shall cater to production of banknote printing inks with an initial capacity of 600 MT per annum, scalable up to 1000 MT per annum.

For Joint Venture Part-II sufficient land within the secured four wall of BNP is available. The proposed Joint Venture shall cater to production pigments with an initial capacity of 10 MT per annum, scalable up to 15 MT per annum.

The PQB is aimed at getting proposals from potential partner(s) for entering into agreement with SPMCIL for the following:

- Formation of Joint Venture for the production of security printing inks, overprint varnishes and CSI/ special effect pigments
- Training of SPMCIL manpower in bulk production.
- Finalizing the civil infrastructure including plans for new/existing buildings, waste disposal and other required services.
- Identifying, specifying and procuring the necessary raw materials.
- Machinery, equipment and tools required for the production facility.
- Indigenization of raw materials for Security Printing inks, overprint varnishes, CSI/ special effect pigments.
- Continuous R&D for upgradation of existing products and development of new products pertaining to new trends and markets.

This PQB also aims to gather information/ suggestions regarding proposed business model of JV and form of JV. It is voluntary on part of all bidders to provide suggestions as per **Annexure V** and/ or in some other form. Suggestions of all bidders will be assessed, based on which further



tendering process will be done. It is noteworthy that these inputs are merely for suggestive purpose and no inference will be drawn towards the bidder based on it. Neither SPMCIL nor the bidder will be bound by Annexure V.

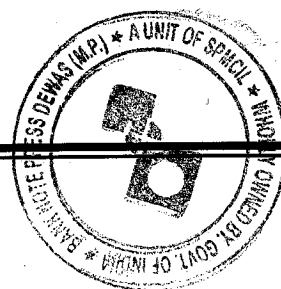
Broad Specifications/Product requirements:

Formation of Joint Venture with globally renowned manufacturers of products mentioned in I.1. The JV partner will provide Intellectual Property Right part to the JV including formulations, techniques, technology along with equipment i.e. capital expenditure. Goal of proposed Joint Ventures is to make the world class ink manufacturing, varnish manufacturing, pigment manufacturing facility for Security printing inks for which the technology and production process is being sought, shall be suitable for Security printing process conditions generally adopted in Security printing machineries. Security inks manufactured shall be suitable for running at high speed latest machines (12000 SPH in case of Banknote Printing).

Responsibilities:

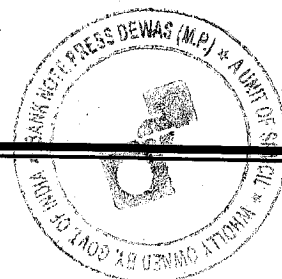
SPMCIL Responsibilities:

1. Enter into two separate Joint Venture agreements with Joint Venture Partner (s),
2. Providing existing setup of BNP Ink Factory. Machinery procurement under the advice of the Partner (s).
3. Provision of manpower.
4. Procurement of necessary raw materials under the advice of the Partner (s).
5. Making available land, buildings and other infrastructure as per agreed plan.
6. Joint Supervision of installation & commissioning activities of plant and machinery.
7. Conducting the necessary technical and management reviews regarding the progress of the project.
8. Operation of JV plants during production trials and bulk production stages.
9. Joint trouble shooting with the partner (s) in a spirit of co-operation, technical & other issues that may arise during trial and bulk production stages.
10. SPMCIL shall reserve the right to conduct inventory/ financial/ any other audit of the new JV as and when required over and above all statutory audits.

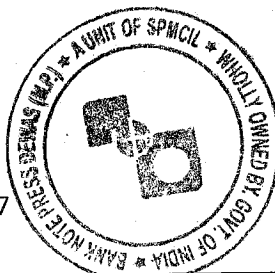


Joint Venture Partner (s) Responsibilities:

1. Enter into Joint Venture agreement (s) with SPMCIL.
2. Provide technology for setting up state of the art production facility for manufacturing of products mentioned above.
3. Provide all relevant technical documentation in both soft & hard copies to enable SPMCIL to produce 600 MT products mentioned in I.1. Design of the manufacturing facility either in a new building or by conversion of an existing building.
4. Specifying the other support services required for the smooth running of the manufacturing plant including power, water, waste disposal, safety and any other requirements.
5. Advice JV to procure the appropriate machinery, equipment and tools and install them at the appropriate location as per approved layouts
6. Train the operational staff to be identified by SPMCIL for running the plant, testing and R&D lab, managing the raw material, handling and packing finished product and treating and disposal of industrial waste.
7. To Advice the joint venture company on procurement of appropriate raw materials during trial and bulk production phases.
8. Certify the fitness of the manufacturing facility at the conclusion of trial phase.
9. To bear the Warranty obligations of the end-products manufactured by the ink facility.
10. Jointly trouble shooting with the transfer- in a spirit of co-operation, technical & other issues that may arise during trial and bulk production stages
11. To enter into agreement that they shall neither set up a similar plant elsewhere in India, nor shall offer the same technology to any other party.
12. The establishment of technology, chemistry and process know-how shall be the JV partner's responsibility.
13. To make arrangements for Marketing and sales of the product(s), initial procurement of raw materials, full operations of the production and quality control of the product(s). The cost of annual procurement of raw materials may be shared by SPMCIL and the JV partner based on percentage ownership in the JV. The Marketing wing shall prioritize to secure export orders from overseas, particularly European clients. Marketing wing shall also strive to secure orders such that 100% capacity utilization of the plant is exercised.



14. To ensure that India specific product to be supplied to SPMCIL presses, at pre-decided nominal rates. The rates, once decided, shall be applicable initially for one year. The revision of rates shall be subject to concurrence of SPMCIL.
15. The manufacture and sale of the entire product range (pertaining to security printing) shall be kept in the scope, for future requirements and business exploits. This shall include inks which are not be used in the security printing segment in India.



PRE-QUALIFICATION BID (PQB) NOTICE FOR FORMATION OF JOINT VENTURE

PART I: MANUFACTURING OF ALL FORMS OF INKS, INCLUDING REACH COMPLIANT INKS, COLOR SHIFT INTAGLIO INK AND MANUFACTURING OF OVERPRINT VARNISH FOR COATING BANKNOTES

PART II: MANUFACTURING OF COLOUR SHIFT PIGMENTS & SPECIAL EFFECT PIGMENTS

1. Sealed Pre-qualification Bid (PQB) is invited from eligible and resourceful manufacturers of-
 - All forms of Inks including REACH compliant inks, color shift intaglio ink and Over print varnish for coating of bank notes.
 - CSI (colour shift) pigments & other special effect pigments.

Eligibility criteria is stipulated in ANNEXURE – II. Bidders who qualify this PQB will be further eligible for issue of tender forms and to participate in the tendering process, subject to security clearance. Manufacturers including those under patent license, joint venture technical collaboration, licensee arrangement etc. (hereinafter called Bidder), are eligible to apply or take part in the bid.

2. The bidders are also requested to give inputs/ information/ suggestions regarding proposed business model of JV and form of JV. It is voluntary on part of all bidders to provide suggestions as per Annexure V. Suggestions of all bidders will be assessed, based on which further tendering process will be done. It is noteworthy that these suggestions are merely for suggestive purpose and no inference will be drawn towards the bidder based on it. Neither SPMCIL nor the bidder will be bound by Annexure V.
3. In connection with the above, in the course of evaluation of bids, the bidder (s) may be required to furnish necessary details. The successful bidders may be allowed to participate in two-part tender which will be floated for selection of appropriate partner (s) for formation of two Joint Ventures.
4. Initial tenure of the Joint Venture agreement will be for a period of –

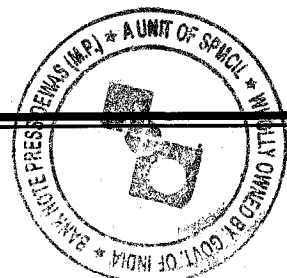


- a. For Proposed JV-I of 7 years extendable for a further such period as found suitable by the SPMCIL.
 - b. For Proposed JV-II of 7 years extendable for a further such period as found suitable by the SPMCIL.
5. The Bidder shall qualify the itemized criteria as stipulated under this PQB at ANNEXURE - II
- i. Experience
 - ii. Capability, Capacity, Equipment & Manufacturing facilities
 - iii. Financial standing
 - iv. Security requirements
 - v. General requirements

Note: Eligibility criteria and compliance statement for Proposed JV I and Proposed JV II are different. Bidders may apply for both JVs or any one of them. It must be specified for which JV the bidder is submitting bid.

6. OTHER REQUIREMENTS-FOR THE BIDDERS

- a) The Bidder should indicate that authorized signatory is competent and legally authorized to submit the tender and / or to enter into legally binding contract. The bid shall be legally binding on the Bidder. Bidders are required to submit the authorization letter to that effect.
- b) The Bidder should provide the details of its shareholding and details of its directors along with complete addresses of such directors and their other activities in the format enclosed. If the Bidder is owned by another company, similar details of such company shall also be furnished. Details shall be furnished in the format as at ANNEXURE – III.
- c) The Bidder shall enclose a Non-disclosure agreement/ confidentiality statement duly signed by their authorized signatories and stamped as below along with the bid:
“The information contained in the PQB document will not, in whole or in part be reproduced, transferred to other documents / electronic media or disclosed to others without written consent of the Purchaser”.



- d) Relaxation of norms for Startups and Micro and Small Enterprises on Prior Experience, Prior Turnover Criteria may be given subject to meeting of quality and technical specifications as per circular no.1(2)(1)2016-MA dt.10.03.2016 issued by Govt. of India, Ministry of Micro, Small & Medium Enterprises, New Delhi.
- e) Order No P-45021/2/2017-B.E.-II for Public Procurement (Preference to Make in India) issued by Ministry of Commerce and Industry, Department of Industry and Internal Trade (Public Procurement Section), and Order No 6/18/2019-PPD for prior registration on procurement from bidders from a country or countries on ground of Defense of India and national Security, issued by Ministry of Finance, department of Expenditure (Public Procurement Division) will be applicable as per guidelines of Government of India.
- f) Ministry of Finance, Department of Expenditure, Public Procurement Division's Orders (Public Procurement 1, 2 and 3) F.No.6/18/2019-PPD dated 23rd/ 24th July 2020 (or any further amendments thereof) regarding eligibility of bidders from specified regions shall be applicable to all procurements. Any bidder from a country which shares a land border with India (excluding countries as listed in the website of Ministry of External Affairs, to which the Government of India has extended lines of credit or in which the Government of India is engaged in development projects) will be eligible to bid in any procurement whether of goods, services (including consultancy services and non-consultancy services) or works (including turnkey projects) only if the bidder is registered with the Registration Committee constituted by the Department for Promotion of Industry and Internal Trade (DPIIT).

Following undertaking shall be submitted along with the bid on the bidders letter head with seal and signed by the competent authority:

"I have read the clause regarding restrictions on procurement from a bidder of a country which shares a land border with India; I certify that M/s (Firm's Name) is not from such a country or, if from such a country, has been registered with the Competent Authority. I hereby certify that M/s (Firm's Name) fulfills all requirements in this regard and is eligible to be considered. (Where applicable, evidence of valid registration by the Competent Authority shall be attached)."

I, the undersigned, declare that the item originates in..... (Name of the country).

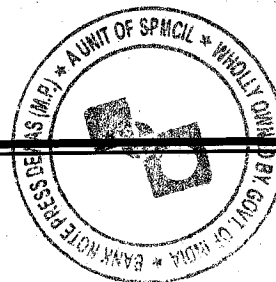


- g) Bidder shall inform if there is any change in Board of Directors/Key personnel and in ultimate beneficial ownership of 10% and more. The Bidder is, therefore, required to submit an undertaking that any such change will be intimated without any delay to the SPMCIL. Bidder has to inform regarding any changes in management control or ownership pattern of the company / operator (s)/ executing the project.

Further, bidder will give undertaking that “if MHA does not clear the new director (s) from the security angle, the firm shall be obliged to remove that director immediately from the Board, failing which, SPMCIL would reserve the right to forthwith terminate the contract with the firm, and dissolve the JV. Further, the firm/bidder must give commitment to compensate SPMCIL for loss, if any, on account of director (s) who does not secure a security clearance from MHA and due to any termination of the contract on this account”

7. GENERAL INSTRUCTIONS FOR THE BIDDER

- a) The Bidder shall provide compliance statement in support of the above-mentioned requirements, wherever applicable, failing which the Bid will be summarily rejected without further correspondence.
- b) Only the Bidders found eligible in the PQB and security cleared by Government of India will be issued Tender Documents and detailed specifications. On successful bidding in the final tender, the Bidders shall enter into a Joint Venture formation agreement/ Memorandum of Understanding with SPMCIL.
- c) All expenses incurred by the Bidder for submission of the PQB shall be borne by the Bidder.
- d) Bidder will provide facilities/ documents to SPMCIL’s inspecting officer for assessing his capacity and security organization/set up as well as technology, if desired. SPMCIL, reserve the right to inspect the works / facility of the bidder.
- e) SPMCIL reserves the right to modify, the PQB document by amendment (s) before the date of submission of Bids. Such amendment (s) shall be published only on the website of SPMCIL.



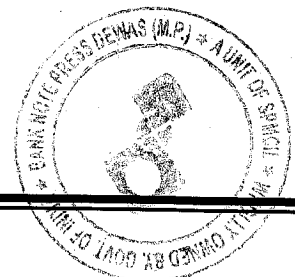
- f) Bidders shall not have any conflict of interest. Bidders found to have conflict of interest shall be liable for disqualification. The Bidders may be considered, to have conflict of interest with one or more entities in the PQB process under the following circumstances:
- The Bidders have controlling partners in common; or
 - The Bidders receive or have received any direct or indirect subsidy from any of them; or
 - The Bidders have the same legal representative for purpose of this PQB; or
 - The Bidders have relationship with each other, directly or through common third parties, that puts the Bidders in a position to access information about or influence the prequalification of another Bidder, or influence the decisions of the Purchaser regarding this PQB.
- g) SPMCIL reserves the right to reject any Bid or cancel the tender in whole or in part, at any stage of the procurement process, without assigning any reason and without any intimation, or on national security consideration or any other ground.
- h) The Bid, as per the enclosed format (Annex I), is to be submitted in a sealed cover super scribing on the top of the cover

“PREQUALIFICATION BID DOCUMENT FOR “FORMATION OF TWO JVS” WITH SPMCIL FOR -

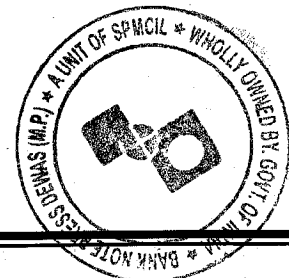
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PART II: MANUFACTURING OF COLOUR SHIFT PIGMENTS & SPECIAL EFFECT PIGMENTS.”

Note: Bidders may apply for both JVs or any one of them. It must be specified on top of sealed cover super scribing for which JV the bidder is submitting bid.



- i) Incomplete Bids or Bids not conforming to the requirements are liable for rejection. In the absence of authentication of the information submitted by the authorized signatory, the bids are likely to be rejected.
- j) Bids received after due date and time shall be rejected. The responsibility to submit PQB within due date and time rests with the Bidder.
- k) SPMCIL will not be responsible for any delay in submission of Bids.
- l) The Bidder is required to submit the "Pre contract Integrity Pact" duly filled and signed on all the pages. Any Bid submitted without Pre contract Integrity Pact will be rejected. The format of the Pre contract Integrity Pact is attached as ANNEXURE – IV.
- m) The Bidder is **required to submit the undertaking** that "the information given in the documents is correct and the Bidder is aware that if any information provided is found to be false at a later stage, SPMCIL reserves the right to reject / disqualify/ blacklist the Bidder at any stage of the tendering process without assigning any reason. False declarations will be in breach of the Code of Integrity under Rule 175 (1) (i) (h) of the General Financial Rules for which a bidder or its successors can be debarred for up to two years as per Rule 151 (iii) of the General Financial Rules along with such other actions as may be permissible under law.
- n) All documents submitted to SPMCIL shall become the property of SPMCIL and the SPMCIL shall not return the same to the bidders.
- o) This PQB notice is subject to Indian Law. The place of performance and jurisdiction is the seat of the Tenderer (SPMCIL), i.e., Dewas, Madhya Pradesh, India
- p) Submission and Opening of PQB- Stipulated Timelines-
- 1) Last date and time for receipt of Pre-qualification Bid (s): On or beforehours (IST) of
 - 2) Time and Date of opening PQB: hours (IST) on If the bidder desires to be present during the bid opening, please note that only one authorized signatory of the bidder is permitted to be present.



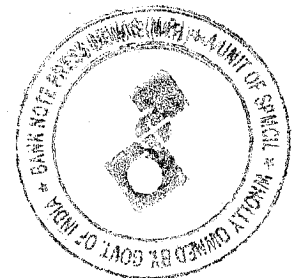
- 3) In the event of any of the above mentioned dates being declared as a holiday/ closed day for the Purchaser, the Bid (s) will be received/ opened on the next working day at the appointed time.
- 4) Location for submission and opening of bids:

Administration Block

Bank Note Press, Dewas (M.P.) 455001 India

Enclosures-

1. Annexure I- Application Format
2. Annexure II- Eligibility Criteria
3. Annexure III- Details of Management Personal of Bidder
4. Annexure IV- Pre Contract Integrity Pact
5. Annexure V



Annexure-I

APPLICATION FOR PRE-QUALIFICATION

Dated

1. Name and Address of Bidder:

.....

2. Has the Bidder been manufacturing and supplying-

1.1 Security inks and Banknote inks { include but not limited to dry-offset inks, quick set intaglio inks, Letterpress fluorescent numbering inks (including UV-curing types), color shift inks and cationic UV-curing overprint varnish for bank notes and security inks for passport, visas, excise labels etc. } during the last five years? If not specify the date from when the Bidder is in business of manufacturing and supplying of Banknote Printing Inks?

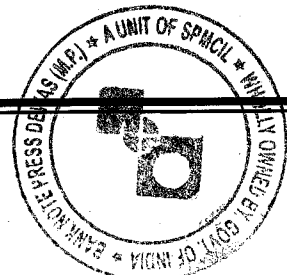
1.2 Colour Shift Intaglio Ink Pigments/ other Special Effect Pigments during the last five years? If not specify the date from when the Bidder is in business of manufacturing and supplying of Banknote Printing Inks?

3. Quantities of

3.1 Security Inks and Banknote Printing Inks manufactured and supplied during last five years.

Banknote Printing Inks for Banknotes only

Sl No	Year (Period)	Qty of Banknote Printing Inks to own country (in Kg)				Country	Qty of Banknote Printing Inks supplied to other countries (in Kgs)				Total Banknote Printing Inks supplied (in Kgs)			
		Offset	QSI	Nbg	Any other inks		Offset	QSI	Nbg	Any other inks	Offset	QSI	Nbg	Any other inks
1.														



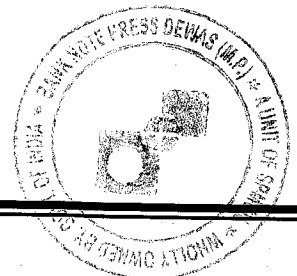
2.															
3.															
4.															
5.															
	Total														

Security Printing Inks (CSI Inks/ UV curing Fluorescence Nbg Inks/ **Security inks for passport, visas, excise labels & other security documents and UV curing cationic based Overprint Varnish)

Sl No	Year (Period)	Qty of Security Printing Inks to own country (in Kg)					Qty of Security Printing Inks supplied to other countries (in Kgs)					Total Security Inks supplied (in Kgs)					
		CSI Inks	UV Fluo. Nbg Ink	UV OPV	Security inks**	Any other inks	Country	CSI Inks	UV Fluo. Nbg Ink	UV OPV	Security inks**	Any other inks	CSI Inks	UV Fluo. Nbg Ink	UV OPV	Security inks**	Any other inks
1.																	
2.																	
3.																	
4.																	
5.																	
	Total																

3.2 Colour Shift Intaglio Ink Pigments/ other Special Effect Pigments

Sl No	Year (Period)	Qty of Colour Shift Intaglio Ink Pigments/ other Special Effect Pigments to own country (in Kg)	Qty of Colour Shift Intaglio Ink Pigments/ other Special Effect Pigments to other countries (in Kgs)	Total Colour Shift Intaglio Ink Pigments/ other Special Effect Pigments supplied (in Kgs)



		CSII pig.	Spl. Effect pigment	Any other specialty pigment	Country	CSII pig.	Spl. Effect pigment	Any other specialty pigment	CSII pig.	Spl. Effect pigment	Any other specialty pigment
1.											
2.											
3.											
4.											
5.											
	Total										

4. The annual capacity of the Bidder to manufacture

- Security/ Banknote Printing Inks/ over print varnishes as indicated in Annex II under the category “Capability, Equipment and Manufacturing Facilities”
- Colour Shift Intaglio Ink Pigments/ other Special Effect Pigments as indicated in Annex II under the category “Capability, Equipment and Manufacturing Facilities”

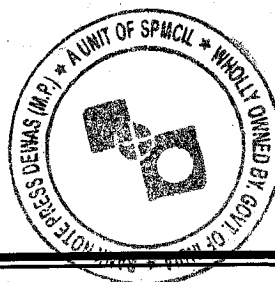
(Tick in box against the point which is applicable)

5. Evidence as detailed in Annex II for proving the technical competence as explained in “Capacity, Equipment and Manufacturing Facilities”, as under for proving the technical competence for manufacture and supply of Offset Inks / Intaglio inks /Numbering Inks/other inks/ CSI/ overprint varnishes/ CSI or special effect pigments

- Experience & Past Performance
- Capability, Equipment & Manufacturing Facilities
- Financial Standing and
- Security Requirement

6. Details of all manufacturing facilities with location, address, capacities and load factor (Capacity Utilisation) of the Bidder.

7. Financial Details for last three years.

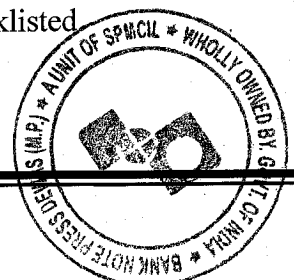


Sl No	Financial Year	Annual Turnover	Profit/Loss (in -----)	Net worth of the Bidder	Remarks
1.					
2.					
3.					

- Please enclose (i) annual report including audited balance sheet (both standalone and consolidated, as applicable); (ii) profit and loss account and supporting documents for the last three years in English language.
 - All financial standing data should be certified by accountants' e.g., Chartered Accountant (CA) in India and Certified Public Accountant / Chartered Accountant/Members of Certified Accounting Body of their government in other countries (in case of countries other than India).
8. All financial details, experience, past performance and capacity/ capability related data should be personally certified by the authorized signatory of the Bidder or the Holding Company/Parent Company, as the case may be.
 9. Whether the Bidder has suffered any financial losses for more than one year during last three years?
 10. Whether the net worth of the Bidder has eroded more than 30% in the last three years?
 11. Name, address, emails and telephone numbers of the shareholders and directors of the Bidder and their other activities.
 12. Is the Bidder is owned by another company? Yes/No
If yes, please furnish the details of the ultimate holding company with complete address and their business activities.
 13. Enclose the consolidated balance sheet.



14. Details of experience manufacturing along with quality control procedure or systems in place
15. Details of Ink making machinery installed at manufacturing plants.
16. Details of control system for monitoring and controlling the quality parameters of various products in I.2 (whichever applicable)
17. Details of instruments and testing facilities available.
18. Is the Bidder accredited and approved supplier with Government of India or an internationally recognized independent authority? Please provide the details?
19. Details of Management Personals, along with self-certification and Application proforma for security clearance are attached as per ANNEXURE -III.
20. Following undertakings/declaration/details are enclosed with application.
 - a. Incorporation certificate, shareholding details and board composition of the Manufacturer.
 - b. Undertaking of confidentiality to not to reveal the details of any security products contained in the main tender documents to any third party.
 - Undertaking not to supply India specific security products to any other third party/country and shall be responsible to maintain absolute secrecy, security and exclusivity in case a contract is awarded.
 - Declaration that signatory is competent and legally authorized to submit the tender and / or to enter into legally binding contract.
 - A duly signed and stamped confidentiality statement as below
“The information(s) contained in the tender document will not, in whole or in part be reproduced, transferred to other documents /electronic media or disclosed to others without written consent of SPMCIL”.
 - A declaration that the Bidder is not in the list of blacklisted



/debarred firms of any Government Agency in India.

- Undertaking of accepting all the terms and conditions of PQB and abiding by it without any counter conditions.
- Undertaking that the information given in the documents is correct and the bidder is fully aware that in the event of any information provided found to be false at later stage, SPMCIL reserves the right to reject/ disqualify the Bidder at any stage of the tendering process without assigning any reason.
- A self-declaration that no agents are engaged or proposed to be engaged for participation in this tender.
- Undertaking by the Bidder that, only one bid from the Group companies has been submitted in response to the PQB.
- Undertaking that any patent or other proprietary rights (product / process or both) are involved for the ink production by Joint Venture the Bidder has unlimited legal rights to deal with them/use them. Indicate the name and details of the patent and the patent holder.
- Voluntary suggestions/ information as per **Annexure V** along with the bid.

Whether the signatory is competent and legally authorized to submit the Bid and / or to enter into a legally binding contract Yes/ No

21. The duly signed pre-contract integrity pact (Annexure-IV) has been enclosed.

Signature of Authorized Person

Name

Designation

Date

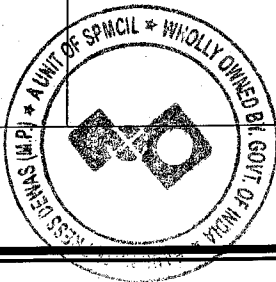
Name and Seal of the Company



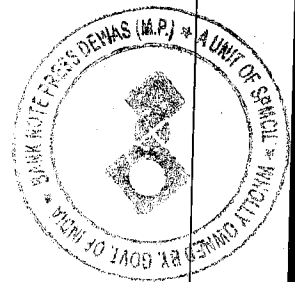
Annexure-II Eligibility Criteria

FOR PROPOSED JV – PART I

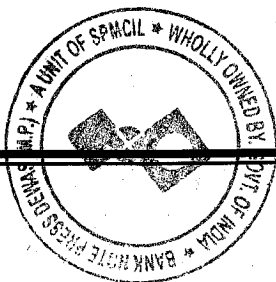
Parameters	Requirement	Essential Qualification
Experience	<p>The bidder should have successfully manufactured and supplied printing inks for bank note printing in the past, which must include REACH Compliant dry-offset inks, quick set intaglio inks, Letterpress fluorescent numbering inks (including UV-curing types), color shift inks and cationic UV-curing overprint varnish for bank notes.</p> <p>The bidder should have proven technology for manufacturing and supplying of security inks suitable for printing of banknotes using paper, polymer & hybrid substrates.</p> <p>Firms who have manufactured and supplied additional inks to those mentioned above, shall also be eligible for selection</p>	<p>The Bidder must have manufactured and supplied at least the following quantity in any one year during the last five financial years ending on 31st March 2021 (or as per any other financial year ending process followed in relevant country)-</p> <ul style="list-style-type: none">• 45 MT of Offset Printing ink suitable for Banknote Printing.• 187 MT of Intaglio Printing ink suitable for Banknote Printing.• 3 MT Letterpress Numbering ink suitable for Security Printing.• 5 MT Colour Shift Intaglio Ink suitable for Security Printing.• 5 MT UV Cationic based UV curing overprint varnish suitable for banknote/ Security Printing.• 100Kg UV curing fluorescent numbering ink suitable for Security Printing. <p>Note I: - All of the above should also include REACH Compliant products.</p> <p>Note II: - The bidder must have proven technology for manufacturing and</p>



		<p>supplying of security inks suitable for printing of banknotes using paper, polymer & hybrid substrates.</p> <p>Note III: - The Bidder must have supplied such products to at least two countries (excluding countries sharing border with India) during last five years.</p>
	The bidder should have entered into Joint Venture/ Transfer of Technology Agreement with any organization for manufacturing of security printing inks/-allied products	Must have entered into at least three JVs / ToTs since incorporation of the bidder
Capability, Equipment and Manufacturing facilities	The products should have proven performance record on printing machines of make KBA - Giori, KOMORI or equivalent brands; finishing machines of make KBA - Giori, UNO or equivalent brands; single note examination machine/BPS machine of make G+D or equivalent brands. The performance of the inks should be independent of printing machine speed.	Same performance should be witnessed at 5000 SPH as well as 12000 SPH speeds.
	Approved vendor status for commercial/government banknote printing agencies for offset, intaglio and numbering	The products need to be certified/ approved/ used by at least two countries (excluding countries sharing border with India) during last five years.



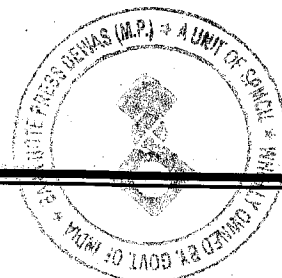
	inks.	
	The bidder should have technical competence, security infrastructure and R&D setup for developing and manufacturing of products	<ul style="list-style-type: none"> • Bidder should have developed its own formulations for any of the products, and must have at least twenty-five live patents in its name. • Should have separate R & D infrastructure with dedicated manpower engagement of at least 25 technical persons/ scientist.
	ISO/ Equivalent certification for Quality, Environment, Health and Safety Management System	The Bidder should have certification from the internationally recognized body regarding- Quality, Environment, Health and Safety Management System
	The products must comply to relevant international regulations	The products must comply to either REACH/ REACH UK/ TSCA/ IECSC or equivalent
Financial	Audited financial statement of the company for the last three financial years ending on 31 st March 2021 (or as per any other financial year ending process followed in relevant country)	<ul style="list-style-type: none"> • The average annual turnover of the Bidder should be at least INR 40 Crores/ USD 5.33 Million/ EURO 4.53 Million. Document/Statement should be authenticated by any authority as per para (vi) of GENERAL REQUIREMENTS FOR BIDDERS • Bidder should not have suffered any financial loss for more than one financial year during the last three years. • The net worth of the firm should <ul style="list-style-type: none"> a) not be negative and



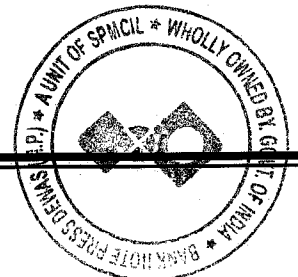
		<p>b) not have eroded by more than 30% in the last three financial years.</p>
<p>Security</p>	<p>The Bidder should not be in a list of blacklisted/debarred firms from any Government Agency in India and shall be required to submit a declaration to that effect</p>	

GENERAL REQUIREMENTS-FOR THE BIDDERS

- i) The Bidder should provide names of the countries to which they have manufactured and supplied Banknote printing inks/ allied products indicating the quantities supplied annually during the last five years including supplies to their own country, if any.
- ii) The Bidder should indicate that authorized signatory is competent and legally authorized to submit the tender and / or to enter into legally binding contract. The bid shall be legally binding on the Bidder and are required to submit the authorization letter to that effect.
- iii) The Bidder should provide the details of its shareholding and details of its directors along with complete addresses of such directors and their other activities in the format enclosed as Annexure III.



- iv) The Tenderer shall clearly indicate in the PQB if any patent or other proprietary rights are involved for Banknote printing ink as specified and if so whether the Tenderer has unlimited legal rights to deal with them/use them. The Tenderer shall completely indemnify and hold harmless SPMCIL from and against any claims of infringement of any patent from any source. The abuse of patent rights either singly or resulting in cartel formation could lead to permanent disqualification of the Tenderer. SPMCIL reserves the right to take such action as deemed fit over the same, without assigning any reason thereof.
- v) SPMCIL will be entitled to seek additional documents / information from any Bidder at any point in time as deems fit.
- vi) All the documents including balance sheet and profit and loss account should be submitted in English language, duly certified by Certified Accountants viz., Chartered Accountant (CA) in India and Certified Public Accountant / Chartered Accountant/ members of Certified accounting body of their Government.
- vii) The Bidder should give the complete details of the addresses, capacities and locations of their production facilities for manufacturing Banknote printing ink, with a confirmation that all such facilities are in exclusive possession and occupation of the Bidder.
- viii) The Bidder should furnish the firm's name, full postal address (office), phone number and Fax number, name of authorised contract persons and e-mail address.
- ix) All experience, past performance, capacity/capability related data and other necessary declarations should be certified by the authorized signatory of the Bidder.
- x) The Bidder may be required to submit further documents, if mandated by the Government of India.
- xi) The Bidder is required to submit a self-declaration that they are not engaging any agents for participation in this tender.
- xii) The Bidder is required to stamp and provide their authorized signature on every page of the PQB document and supporting documents submitted.



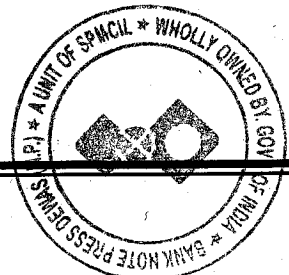
xiii) The PQB documents are non-transferable.

FOR PROPOSED JV – PART II

Basis	Requirement	Essential Qualification
Experience	The bidder should have successfully manufactured and supplied CSII pigments and other specialty pigments.	<p>The Bidder must have manufactured and supplied at least 4 MT of CSII/ Special Effect Pigment in any one year during the last five financial years ending on 31st March 2021 (or as per any other financial year ending process followed in relevant country)</p> <p>Note I: - The above products should also include REACH Compliant product.</p> <p>Note II: - The Bidder must have supplied such products to at least two countries (excluding countries sharing border with India) during last five years.</p>
	The bidder should have entered into Joint Venture/ Transfer of Technology Agreement with any organization for manufacturing of CSII pigments and other specialty pigments	Must have entered into at least one JV or ToT since incorporation of the bidder
Capability, Equipment and Manufacturing facilities	<p>The bidder's product should have proven performance record certified by reputed global security ink manufacturers</p> <p>Approved vendor status for commercial/government banknote printing agencies for</p>	<p>The bidder's product should have proven performance record certified by Security Ink Manufacturer.</p> <p>The products need to be certified/ approved/ used by at least two countries (excluding countries sharing border with India) during</p>



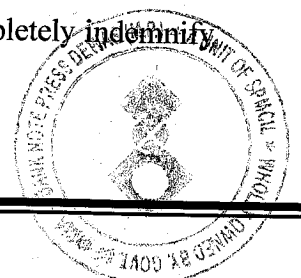
	offset, intaglio and numbering inks.	last five years.
	The bidder should have technical competence, security infrastructure and R&D setup for developing and manufacturing of products	<ul style="list-style-type: none"> • Bidder should have developed its own technology for any of the products, and must have at least one live patent in its name. • Should have separate R & D infrastructure with dedicated manpower engagement of at least 10 technical persons/ scientist.
	ISO/ Equivalent certification for Quality, Environment, Health and Safety Management System.	The Bidder should have certification from the internationally recognized body regarding- Quality, Environment, Health and Safety Management System.
	The products must comply to relevant international regulations	The products must comply to either REACH/ REACH UK/ TSCA/ IECSC or equivalent
Financial	Audited financial statement of the company for the last three financial years ending on 31 st March 2021 (or as per any other financial year ending process followed in relevant country)	<ul style="list-style-type: none"> • The average annual turnover of the Bidder should be at least INR 160 Crores/ USD 21.328 Million/ EURO 18.24 Million. • Bidder should not have suffered any financial loss for more than one financial year during the last three years. Document/Statement should be authenticated by any authority as per para (vi) of GENERAL REQUIREMENTS FOR BIDDERS • The net worth of the firm should <ul style="list-style-type: none"> a) not be negative and



		<p>b) not have eroded by more than 30% in the last three financial years.</p>
<p>Security</p>	<p>The Bidder should not be in a list of blacklisted/debarred firms from any Government Agency in India and shall be required to submit a declaration to that effect</p>	

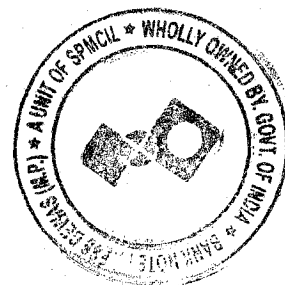
GENERAL REQUIREMENTS-FOR THE BIDDERS

- i) The Bidder should provide names of the countries to which they have manufactured and supplied CSII pigments and other specialty pigments indicating the quantities supplied annually during the last five years including supplies to their own country, if any.
- ii) The Bidder should indicate that authorized signatory is competent and legally authorized to submit the tender and / or to enter into legally binding contract. The bid shall be legally binding on the Bidder and are required to submit the authorization letter to that effect.
- iii) The Bidder should provide the details of its shareholding and details of its directors along with complete addresses of such directors and their other activities in the format enclosed as Annexure III.
- iv) The Tenderer shall clearly indicate in the PQB if any patent or other proprietary rights are involved for Banknote printing ink as specified and if so whether the Tenderer has unlimited legal rights to deal with them/use them. The Tenderer shall completely indemnify



and hold harmless SPMCIL from and against any claims of infringement of any patent from any source. The abuse of patent rights either singly or resulting in cartel formation could lead to permanent disqualification of the Tenderer. SPMCIL reserves the right to take such action as deemed fit over the same, without assigning any reason thereof.

- v) SPMCIL will be entitled to seek additional documents / information from any Bidder at any point in time as deems fit.
- vi) All the documents including balance sheet and profit and loss account should be submitted in English language, duly certified by Certified Accountants viz., Chartered Accountant (CA) in India and Certified Public Accountant / Chartered Accountant/ members of Certified accounting body of their Government.
- vii) The Bidder should give the complete details of the addresses, capacities and locations of their production facilities for manufacturing Banknote printing ink, with a confirmation that all such facilities are in exclusive possession and occupation of the Bidder.
- viii) The Bidder should furnish the firm's name, full postal address (office), phone number and Fax number, name of authorized contract persons and e-mail address.
- ix) All experience, past performance, capacity/capability related data and other necessary declarations should be certified by the authorized signatory of the Bidder.
- x) The Bidder may be required to submit further documents, if mandated by the Government of India.
- xi) The Bidder is required to submit a self-declaration that they are not engaging any agents for participation in this tender
- xii) The Bidder is required to stamp and provide their authorized signature on every page of the PQB document and supporting documents submitted.
- xiii) The PQB documents are non-transferable.



ANNEXURE-III

(Application Proforma for Security Clearance)

Format for Details of Key Personnel

(All fields are mandatory)

Details in respect of applicant company:

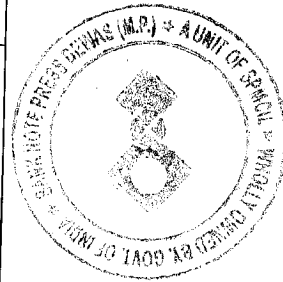
Sl. No.	Name of the company	Registration number with date	Registered office address and correspondence address	Previous name of the company, if any	Products/services offered	Details of earlier approvals, if any (ref. no. and date)

I. Details in respect of Foreign Collaborator, If any :

Sl. No.	Name of collaborator in respect of the products/services being offered in India	Registration number with date	Registered office address and correspondence address	Previous name of the company, if any	Type of collaboration with the applicant company viz technical/financial/product patent manufacturing etc.	Address of production of the product / service offered to applicant company, if applicable

II. Details in respect of Board of Directors of the applicant company :

Sl. No.	Full Names of directors in BOD of the applicant company	Present position held and since when (date)	Date of Birth	Parentage (Father/mother name)	Present and permanent address	Nationality	Passport no. and date of issue if any	Contact address and telephone number



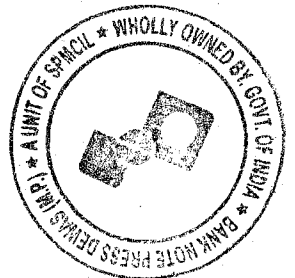
III. Details of share-holders of the applicant company (All firms/companies/ entities/ individuals having shareholding more than 10% or controlling stake in applicant company)

Sl. No.	Full Name of individual / company	Parentage (name of father/mother) in case of individuals, and beneficial owner in case of companies	Date of birth in case of individuals, and registration number in case of companies	Permanent address/ present address in case of individuals, and correspondence address in case of companies	Present position held, in any, in the applicant company	Nationality, in case of individual (if holding dual nationality, both must be clearly mentioned)/country of registration (in case of company)	% of shares held in the company

IV. (A) Ultimate beneficial owner(s)/ company (ies) / organization (s) of the applicant company :

Sl. No.	Name of the Ultimate beneficial owners / companies / organizations	Address of the company / individual / organization	Date of birth and details in case of beneficial owner is an individual	Registration number with date in case of ultimate beneficial owner is company / organization	Address of registered office, in case of ultimate beneficial owner is company / organization

V. (B) Ownership structure chart depicting the link between applicant company and ultimate beneficial owner / company / organization



VI. Self-declaration regarding presence / operation in China / Pakistan (if any) as below:

- (i) Whether the applicant company or its parent company (ultimate beneficial owner) or associates companies or subsidiary companies / holding companies are having presence / operation or supplied / supplying products / services related to currency / passport in China / Pakistan? Yes/No
- (ii) If yes, following details may be provided:
- a. Name and address of the company(s) having operation in China/Pakistan.
 - b. Details of its establishment in Pakistan / China.
 - c. Details of its business activities being carried out in Pakistan/China including the past business relation of last five years.
 - d. Description of products / services
 - e. Any collaboration or technical tie-up with a company or organization in China/ Pakistan, details if any.

VII. Details of criminal cases, if any, against the company / director(s) as per annexure.

VIII. Whether the applicant company has been blacklisted/fined/debarred for its business operations in currency sector by any Government agency in India an abroad in last five years. If yes, provide details.

IX. Self-declaration by the applicant company:

- a. I hereby undertake that any of the products(s)/service(s) offered to India, have not been sourced from Pakistan/China.
- b. I hereby undertake to source items to be supplied to India from security cleared firms only (this is applicable for all items requiring security clearance)

Note: The above self-declaration is to be filled and signed by the authorized signatory of the company.

Page 35 of 47

(Signature)



Self-declaration for company and director(s) for whom security clearances is sought

- a. Name & address and registration number of the company
- b. Name and address of owners (in case of proprietorship firm) / directors of the company

- 1. -----
- 2. -----
- 3. -----
- 4. -----

- c. Is the company owners (in case of proprietorship firm) / directors listed above, the subject of any

- 1. Preventive detention proceedings under :
Yes / No(Public Safety Act / National Security Act etc. PSA / NSA etc.)
- 2. Criminal investigation in which charge sheet :
Yes / NoHave been filled

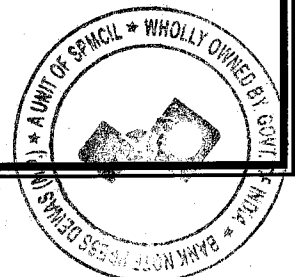
- d. If yes, please provide following details :-

- 1. Case / FIR number :
- 2. Detention / warrant number, if any :
- 3. Police Station / district / agency :
- 4. Sections of law under which case(s) has / have been filed :
- 5. Name and place of the court :

- e. The above mentioned details are in respect of both India and any other foreign country.

(Signature)

Note: The above self-declaration is required to be filled and signed by the authorized signatory of the company.



ANNEXURE-IV PRE CONTRACT INTEGRITY PACT

(To be signed on Plain Paper)

This Agreement (hereinafter called the Integrity Pact) is made on _____ day of the month of _____ 202__ at _____, India

BETWEEN

SPMCIL, a Miniratna Category I, Public Sector Enterprise of the Ministry of Finance, Government of India, (hereinafter called the "The Principal", which expression shall mean and include, unless the context otherwise requires, his successors in office and assigns) of the First Part

AND

M/s. _____ (hereinafter called the "The Bidder/ Contractor" which expression shall mean and include, unless the context otherwise requires, his successors and permitted assigns) of the Second Part.

PREAMBLE

'The Principal' intends to award, under laid down organizational procedures, contract/s for _____, 'The Principal' values full compliance with all relevant laws of the land, rules, regulations, economic use of resources and of fairness / transparency in its relations with its Bidder(s) and / or Contractor(s).

In order to achieve these goals, the Principal will appoint Independent External Monitors (IEMs) who will monitor the tender process and the execution of the contract for compliance with the principles mentioned above.

Section 1 - Commitments of the 'The Principal'



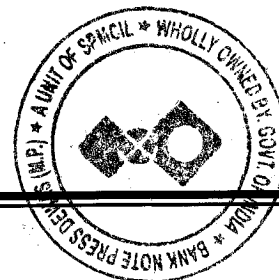
(1) 'The Principal' commits itself to take all measures necessary to prevent corruption and to observe the following principles: -

- a. No employee of the Principal, personally or through family members, will in connection with the tender for, or the execution of a contract, demand, take a promise for or accept, for self or third person, any material or immaterial benefit which the person is not legally entitled to.
- b. The Principal will, during the tender process treat all Bidder(s) with equity and reason. The Principal will in particular, before and during the tender process, provide to all Bidder(s) the same information and will not provide to any Bidder(s) confidential /additional information through which the Bidder(s) could obtain an advantage in relation to the tender process or the contract execution.
- c. The Principal will exclude from the process all known prejudiced persons.

(2) If the Principal obtains information on the conduct of any of its employees which is a criminal offence under the IPC/PC Act, or if there be a substantive suspicion in this regard, the Principal will inform the Chief Vigilance Officer and in addition can initiate disciplinary actions.

Section 2 - Commitments of the 'Bidder / Contractor'

- (1) The 'Bidder/ Contractor' commit themselves to take all measures necessary to prevent corruption. The 'Bidder/ Contractor' commit themselves to observe the following principles during participation in the tender process and during the contract execution.
 - a. The 'Bidder/ Contractor' will not, directly or through any other person or firm, offer, promise, or give to any of the Principal's employees involved in the tender process or the execution of the contract or to any third person any material or other benefit which he/she is not legally entitled to, in order to obtain in exchange any advantage of any kind whatsoever during the tender process or during the execution of the contract.
 - b. The 'Bidder/ Contractor' will not enter with other Bidders into any undisclosed agreement or understanding, whether formal or informal. This applies in particular to prices, specifications, certifications, subsidiary contracts, submission or non-submission of bids

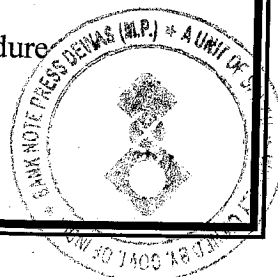


or any other actions to restrict competitiveness or to introduce cartelisation in the bidding process.

- c. The 'Bidder/ Contractor' will not commit any offence under the relevant IPC/PC Act; further the 'Bidder/ Contractor' will not use improperly, for purposes of competition or personal gain, or pass on to others, any information or document provided by the Principal as part of the business relationship, regarding plans, technical proposals, and business details, including information contained or transmitted electronically.
 - d. The 'Bidder/ Contractor' of foreign origin shall disclose the name and address of the Agents/representatives in India, if any. Similarly, the Bidder/Contractors of Indian Nationality shall furnish the name and address of the foreign principals, if any. Further details as mentioned in the "Guidelines on Indian Agents of Foreign Suppliers" shall be disclosed by the Bidder/Contractor. Further, as mentioned in the Guidelines all the payments made to the Indian agent/representative have to be in Indian Rupees only. Copy of the "Guidelines on Indian Agents of Foreign Suppliers" is placed at Annex to this agreement.
 - e. The 'Bidder/ Contractor' will, when presenting their bid, disclose any and all payments made, is committed to, or intends to make to agents, brokers, or any other intermediaries in connection with the award of the contract.
 - f. Bidder /Contractor who have signed the Integrity Pact shall not approach the Courts while representing the matter to IEMs and shall wait for their decision in the matter.
- (2) The 'Bidder/ Contractor' will not instigate third persons to commit offences outlined above or be an accessory to such offences.

Section 3 - Disqualification from tender process and exclusion from future contracts

If the 'Bidder/Contractor', before award or during execution has committed a transgression through a violation of Section 2, above or in any other form such as to put their reliability or credibility in question, the Principal is entitled to disqualify the 'Bidder/Contractor' from the tender process or take action as per the procedure



mentioned in the "Guidelines on Banning of business dealings"

Section 4 - Compensation for Damages

- (1) If the Principal has disqualified the 'Bidder/ Contractor' from the tender process prior to the award according to Section 3, the Principal is entitled to demand and recover from 'Bidder/ Contractor' the damages equivalent to Earnest Money Deposit/ Bid Security.
- (2) If the Principal has terminated the contract according to Section 3, or if the Principal is entitled to terminate the contract according to Section 3, the Principal shall be entitled to demand and recover from the Contractor liquidated damages of the Contract value or the amount equivalent to Performance Bank Guarantee.

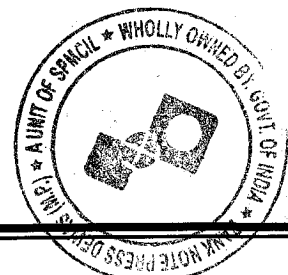
Section 5 - Previous transgression

- (1) The Bidder declares that no previous transgressions occurred in the last three years with any other Company in any country conforming to the anti-corruption approach or with any Public Sector Enterprise in India that could justify his exclusion from the tender process.
- (2) If the Bidder makes incorrect statement on this subject, he can be disqualified from the tender process or action can be taken as per the procedure mentioned in "Guidelines on Banning of business dealings".

Section 6 - Equal treatment of all Bidders / Contractors / Subcontractors

- (1) In case of Sub-contracting, the Principal Contractor shall take the responsibility of the adoption of Integrity Pact by the Sub-contractor.
- (2) The Principal will enter into agreements with identical conditions as this one with all Bidders and Contractors.
- (3) The Principal will disqualify from the tender process all bidders who do not sign this Pact or violate its provisions.

Section 7 - Criminal charges against violating Bidder(s) / Contractor(s) /

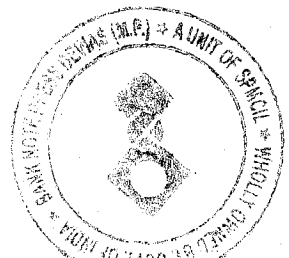


Subcontractor(s)

If the Principal obtains knowledge of conduct of a Bidder, Contractor or Subcontractor, or of an employee or a representative or an associate of a Bidder, Contractor or Subcontractor which constitutes corruption, or if the Principal has substantive suspicion in this regard, the Principal will inform the same to the Chief Vigilance Officer.

Section 8 - Independent External Monitor

- (1) The Principal appoints competent and credible Independent External Monitor for this Pact after approval by Central Vigilance Commission. The task of the Monitor is to review independently and objectively, whether and to what extent the parties comply with the obligations under this agreement.
- (2) The Monitor is not subject to instructions by the representatives of the parties and performs his/her functions neutrally and independently. The Monitor would have access to all Contract documents, whenever required. It will be obligatory for him / her to treat the information and documents of the Bidders/Contractors as confidential. He/ she reports to the Chairman and Managing Director of SPMCIL.
- (3) The Bidder(s)/Contractor(s) accepts that the Monitor has the right to access without restriction to all Project documentation of the Principal including that provided by the Contractor. The Contractor will also grant the Monitor, upon his/her request and demonstration of a valid interest, unrestricted and unconditional access to their project documentation. The same is applicable to Sub-contractors.
- (4) The Monitor is under contractual obligation to treat the information and documents of the Bidder/ Contractor(s) / Sub-contractor(s) with confidentiality. The Monitor has also signed declarations on 'Non-Disclosure of Confidential Information' and of 'Absence of Conflict of Interest'. In case of any conflict of interest arising at a later date, the IEM shall inform Chairman and Managing Director of SPMCIL and recuse himself / herself from that case.

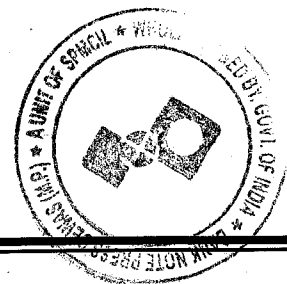


- (5) The Principal will provide to the Monitor sufficient information about all meetings among the parties related to the Project provided such meetings could have an impact on the contractual relations between the Principal and the Contractor. The parties offer to the Monitor the option to participate in such meetings.
- (6) As soon as the Monitor notices, or believes to notice, a violation of this agreement, he/she will so inform the Management of the Principal and request the Management to discontinue or take corrective action, or to take other relevant action. The monitor can in this regard submit non-binding recommendations. Beyond this, the Monitor has no right to demand from the parties that they act in a specific manner, refrain from action, or tolerate action.
- (7) The Monitor will submit a written report to the Chairman and Managing Director of SPMCIL within 8 to 10 weeks from the date of reference or intimation to him by the Principal and, should the occasion arise, submit proposals for correcting problematic situations.
- (8) If the Monitor has reported to the Chairman and Managing Director of SPMCIL, a substantiated suspicion of an offence under relevant IPC/ PC Act, and the Chairman and Managing Director of SPMCIL has not, within the reasonable time taken visible action to proceed against such offence or reported it to the Chief Vigilance Officer, the Monitor may also transmit this information directly to the Central Vigilance Commissioner.
- (9) The word 'Monitor' would include both singular and plural.

Section 9 - Pact Duration

This Pact begins when both parties have legally signed it. It expires for the Contractor 12 months after the last payment under the contract, and for all other Bidders 6 months after the contract has been awarded. Any violation of the same would entail disqualification of the bidders and exclusion from future business dealings.

If any claim is made / lodged during this time, the same shall be binding and continue to be valid despite the lapse of this pact as specified above, unless it is discharged / determined by Chairman and Managing Director of SPMCIL.



Section 10 - Other provisions

- (1) This agreement is subject to Indian Law. Place of performance and jurisdiction is the Registered Office of the Principal, i.e., New Delhi.
- (2) Changes and supplements as well as termination notices need to be made in writing. Side agreements have not been made.
- (3) If the Contractor is a partnership or a consortium, this agreement must be signed by all partners or consortium members.
- (4) Should one or several provisions of this agreement turn out to be invalid, the remainder of this agreement remains valid. In this case, the parties will strive to come to an agreement to their original intentions.
- (5) Issues like Warranty / Guarantee etc. shall be outside the purview of IEMs.
- (6) In the event of any contradiction between the Integrity Pact and its Annexure, the Clause in the Integrity Pact will prevail.

For and On behalf of the Principal (Name of the Officer and Designation) (Office Seal)	For and On behalf of 'Bidder/ Contractor (Name of the Officer and Designation) (Office Seal)
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Place:

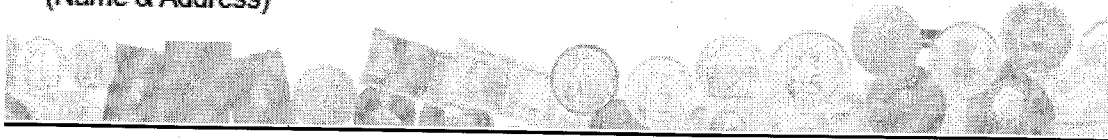
Date:

Witness 1:

(Name & Address)

Witness 2:

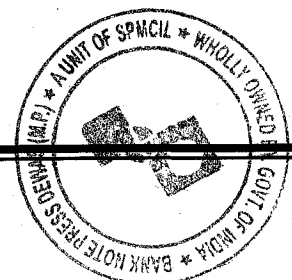
(Name & Address)



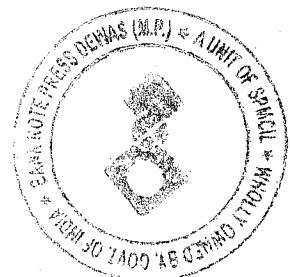
Annexure to Integrity Agreement

Guidelines for Indian Agents of Foreign Suppliers

- 1.0 There shall be compulsory registration of agents for all Global (Open) Tender and Limited Tender. An agent who is not registered with SPMCIL shall apply for registration in the registration form with appropriate unit.
- 1.1 Registered agents will file an authenticated Photostat copy duly attested by a Notary Public/Original certificate of the Principal confirming the agency agreement. It should cover - the precise relationship, services to be rendered, mutual interests in business - generally and/ or specifically for the tender. Any commission/ remuneration/ salary/ retainership, which the agent or associate receives in India or abroad from the OEM, whether should be brought on record in the Agreement and be made explicit.
- 1.2 Wherever the Indian representatives have communicated on behalf of their principals and the foreign parties have stated that they are not paying any commission to the Indian agents, and the Indian representative is working on the basis of salary or as retainer, a written declaration to this effect should be submitted by the party (i.e., Principal) before finalizing the order.
- 2.0 Disclosure of particulars of agents/ representatives in India, if any.
- 2.1 Tenderers of Foreign nationality shall furnish the following details in their offers:
- 2.1.1 The 'Bidder/ Contractor' of foreign origin shall disclose the name and address of the agents/ representatives in India if any and the extent of authorization and authority given to commit the Principals. In case the agent/ representative be a foreign Company, it shall be confirmed whether it is existing Company and details of the same shall be furnished.
- 2.1.2 The amount of commission/ remuneration included in the quoted price(s) for such agents/ representatives in India.

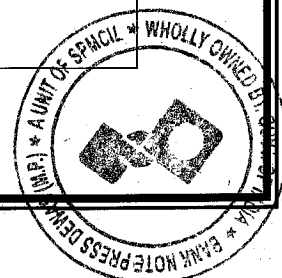


- 2.1.3 Confirmation of the Tenderer that the commission/ remuneration, if any, payable to his agents/ representatives in India, may be paid by SPMCIL in Indian Rupees only.
- 2.2 Tenderers of Indian Nationality shall furnish the following details in their offers:
- 2.2.1 The 'Bidder/ Contractor' of Indian Nationality shall furnish the name and address of the foreign principals, if any, indicating their nationality as well as their status, i.e., whether manufacturer or agents of manufacturer holding the Letter of Authority of the Principal specifically authorizing the agent to make an offer in India in response to tender either directly or through the agents/ representatives.
- 2.2.2 The amount of commission/ remuneration included in the price (s) quoted by the Tenderer for himself.
- 2.2.3 Confirmation of the foreign principals of the Tenderer that the commission/ remuneration, if any, reserved for the Tenderer in the quoted price(s), may be paid by SPMCIL in India in equivalent Indian Rupees on satisfactory completion of the Project or supplies of Stores and Spares in case of operation items.
- 2.3 In either case, in the event of contract materializing, the terms of payment will provide for payment of the commission/ remuneration, if any payable to the agents/ representatives in India in Indian Rupees on expiry of 90 days after the discharge of the obligations under the contract.
- 2.4 Failure to furnish correct and detailed information as called for in paragraphs above will render the concerned tender liable to rejection or in the event of a contract materializing, the same liable to termination by SPMCIL. Besides this there would be a penalty of banning business dealings with SPMCIL or damage or payment of a named sum.



Annexure-V

Sr. No.	Query/ Point in question/ topic	Suggestion by bidder
1.	What will be suitable form of Joint Venture? Whether equity based i.e. separate Incorporated identity or a Contractual JV without creation of separate identity will serve the purpose optimally.	(Please comment on both JVs separately)
2.	What will be the appropriate time period of Joint Venture? Is 7 years sufficient? What share of investment IPR/ CAPEX will be made by you for this duration	(Please comment on both JVs separately)
3.	What share of profit will be appropriate for you For- <ul style="list-style-type: none"> • Products sold for SPMCIL's own internal consumption • Products sold to other parties in India • Products exported from India 	(Please comment on both JVs separately)
4.	What ratio of members, of SPMCIL and yours will be appropriate in Board of Directors/ Governing Committee	(Please comment on both JVs separately)
5.	What are possible target nations for exports from India	(Please comment on both JVs separately)
6.	What will be the consequences of exit by any party before JV duration.	(Please comment on both JVs separately)
7.	Who will have IPR rights after termination of JV	



		(Please comment on both JVs separately)
8.	Apart from JV Model which alternative business model (like ToT) will be suitable for manufacturing products mentioned in PART I and II of I.1. Also, suggest how SPMCIL will be able to get benefits of your R&D efforts and technological advancements in same business model	
9.	Any other point which you feel is critical for JV	(Please comment on both JVs separately)

Note: Attach separate sheets if required.



