

**GLOBAL INVITATION FOR EXPRESSION OF INTEREST (EOI) FOR
MANUFACTURE AND SUPPLY OF COLOUR SHIFT SECURITY THREAD FOR
INDIAN BANKNOTES**

Not Transferable

Security Classification: Security

**DOCUMENT FOR INVITATION FOR EXPRESSION OF INTEREST FOR
MANUFACTURING AND SUPPLY OF COLOUR SHIFT SECURITY
THREAD FOR INDIAN BANKNOTES**

EOI/ST/CO/01/2017-18

Date: 5th April 2017

This EOI document Contains 28 Pages

Document is given to:

M/s _____
Address _____

Details of Contact person in BRBNMPL regarding this tender:

Shri. A.R. Hegde
Deputy General Manager
For and on the behalf of
THE MANAGING DIRECTOR,
BHARATIYA RESERVE BANK NOTE MUDRAN (P) LTD,
NO.3 & 4, REGD CORPORATE OFFICE,
1st PHASE, 1st STAGE, , B.T.M LAYOUT,
BANNERGHATTA ROAD, BENGALURU
KARNATAKA
Tel No: +91 –80 66602000; Fax No: +91- 80- 66602039
Website: www.brbnmpl.co.in
Email: cobangalore@brbnmpl.co.in

I. Notice Inviting Tender (NIT)

BHARATIYA RESERVE BANK NOTE MUDRAN (P) LIMITED
Regd & Corporate office: No. 3 & 4, 1st Stage, 1st Phase, B.T.M Layout
Bannerghatta Road, Post Box No: 2924 Bengaluru – 560 029
Tel no: + 91 – 80 66602000

EOI/ST/CO/01/2017-18

Date: 5th April 2017

1. Sealed Expression of Interest is invited for manufacturing and supply of Colour Shift Security Thread for incorporation in Cylinder mould vat made Watermarked Bank Note paper (CWBN paper) for various Indian Banknote Denominations. Outcome of this EOI and subsequent tenders will be a rate contract where in the successful bidder/s will be required to supply “Colour Shift Security Thread to CWBN paper manufacturer/s notified by the Purchaser at the price, terms and conditions as agreed through the contracts to be signed after completion of tendering process.
2. Initial tenure of the agreement will be for a period of six months extendable for a further period of twelve months or till the introduction of new security features at the discretion of the purchaser. Purchaser reserves the right to terminate the contract with 3 month’s notice without assigning any reasons.
3. Details of requirement are as indicated below:

Schedule	Denomination	Quantity Required in Kilometre (Km) (for initial tenure of six months)
1	2 mm Width Thread	3,50,000
2	3 mm Width Thread	4,50,000
	Total	8,00,000*

* Quantities mentioned above are only to indicate the tentative volume of requirement.

4. [

Type of Tender (Two Bid / PQB / EOI / RC / Development / Indigenization / Disposal of Scrap / Security item etc.	Expression of Interest
Date of Publication of EOI documents	5 th April 2017
Price of the EOI Document	Free
Closing date and time for receipt of EOI	15:00 Hrs on 8 th May 2017
Place of receipt of EOI	BRBNMPL, Bengaluru
Time and date of opening of EOI	16:00 Hrs on 8 th May 2017
Place of opening of EOI	BRBNMPL, No. 3 & 4, 1 st Stage, 1 st Phase, B.T.M Layout, Bannerghatta Road, , Bengaluru – 560 029
Nominated Person / Designation to receive bulky documents (Clause 21.1 of GIT)	Shri. A.R.Hegde, Deputy General Manager, BRBNMPL, Bengaluru

5. The Interested parties may obtain further information about this requirement from the above office. EOI documents may be downloaded from the BRBNMPL website: www.brbnmpl.co.in or be obtained from BRBNMPL, Bengaluru.
6. If requested, the EOI 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 EOI document 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 BRBNMPL, payable at Bengaluru, for postage charges along with his request for EOI documents. Any request received after the due date will not be entertained. Any delay in receipt of EOI documents will not entitle any parties for extension of submission dates and BRBNMPL will not be responsible for any such delays.
7. Interested parties shall ensure that their EOI documents, **duly sealed and signed in all pages**, 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 4 above, failing which their application for EOI will be treated as late and rejected.
8. In the event of any of the above mentioned dates being declared as a holiday/closed day for the purchase organization, the EOI document will be received/opened on the next working day at the appointed time.
9. BRBNMPL is not responsible for any postal delay and the EOI proposals 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 EOI before submission of details. All the pages of EOI documents as at Annexures, basic information and other supporting documents shall be duly stamped, signed and submitted.
10. BRBNMPL reserves the right to accept/reject/cancel any or all EOI documents without assigning any reason thereof. BRBNMPL also reserves the right to accept the EOI in whole or part. Incomplete documents not submitted in accordance with the directions issued shall be liable for rejection.
11. The firm should furnish its firm's name, full postal address (Office), Phone Number and Fax Number Name of the authorized contact person and e-mail address.
12. 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 EOI, to this effect.
13. Participants are required to stamp and provide their authorized signature on every page of the EOI document and supporting documents submitted.
14. The EOI documents are not transferable.

For and on behalf of BRBNMPL

(A.R Hegde)
Deputy General Manager

II. Introduction

Bharatiya Reserve Bank Note Mudran Private Limited (BRBNMPL) is a wholly owned subsidiary of Reserve Bank of India having two printing presses one at Mysore, Karnataka & the other at Salboni, West Bengal, India for banknote production.

This EOI is issued on behalf of Reserve Bank of India for the procurement of Colour Shift Security Thread for incorporation in CWBN paper for various Indian Banknote Denominations. Outcome of this EOI and subsequent tenders will be a rate contract where in the successful bidder/s will be required to supply “Colour Shift Security Thread to CWBN paper manufacturer/s notified by the Purchaser at price, terms and conditions as agreed through the contracts to be signed after completion of tendering process. Initial tenure of the agreement will be for a period of six months which is extendable for a further period of twelve months or till the introduction of new security features at the discretion of the purchaser. Purchaser reserves the right to terminate the contract with 3 months’ notice without assigning any reasons.

This Expression of Interest has been invited only from the “**Manufacturers of Security Thread**” who are security cleared for any of the proposals for supply of security materials within the sector (Indian) of Currency/Coin/Passport proposals of Reserve Bank of India/SPMCIL/BRBNMPL/BNPMIPL. This Expression of Interest is to identify the probable suppliers of Colour-Shift Security Thread and shortlist/qualify the suppliers amongst whom two part tender will be issued. After the Expression of Interest and qualifying the bidders, two-part tender will be floated with appropriate specifications and qualification criteria.

Relevant information such as Terms of Reference, Qualifying Criteria, Expected contents for EOI & other General Terms & Conditions are given below:

a. Requirement:

This Expression of Interest (EOI) is floated to identify the probable suppliers of Colour-Shift Security Thread with magnetic properties and micro-text suitable for incorporation in Indian Banknotes. Technical Specification of the Security thread will be provided only to those who get qualified in this Expression of Interest.

b. Terms of Reference:

- i. Provide a list in terms of available facilities and existing practices vis-a-vis choice of technology available for the manufacturing of Colour-Shift Security Thread with magnetic properties and micro-text.

ii. Please provide

- Monthly Capacity to Manufacture Colour Shift Security thread with above properties
- Indicative delivery time required for supply

c. General Terms & Conditions

- i. This Expression of interest is for identifying the suitable supplier for the manufacturing and supply of Colour Shift Security Thread suitable for various Indian Banknote denominations. This EOI is for shortlisting suppliers to whom two-part tender (Technical Tender containing detailed specifications and Commercial Bid) will be issued.
- ii. Last Date for submission of Expression of Interest: The letter of Expression of Interest with supporting documents must be submitted at the following address by 1500 Hrs. on 8th May 2017.

The Managing Director,
BHARATIYA RESERVE BANK NOTE MUDRAN (P) LIMITED
Regd. & Corporate office: No. 3 & 4, 1st Stage, 1st Phase, B.T.M Layout
Bannerghatta Road, Bengaluru – 560 029, Karnataka, India
Tel no: +91 80 66602000, Fax: +91 80 66602039

- iii. Before submitting Expression of Interest, parties may obtain required clarifications/queries if any, from our Office at Bengaluru.
- iv. For security reasons, the firm will be required to provide details of their representative/s who will be contacting/visiting BRBNMPL, Bengaluru.

d. Procurement Process

Following are the details of this procurement process of BRBNMPL.

- i. At first, the Expression of Interest is floated amongst the manufacturer/s of Security Thread **who are security cleared** in the sector (Indian) of Currency/Coin/Passport proposals of Reserve Bank of India /SPMCIL/BRBNMPL/BNPMIPL.
- ii. Bidders who are qualified in this EOI will be issued with two-part tender. During the Two Part tender as a part of technical bid evaluation, suppliers will be required to provide samples which will be evaluated and price offer of bidders whose sample pass the evaluation only will be considered for price bid opening.
- iii. Lowest Price (L1) determination will be schedule wise.

- iv. The Purchaser reserves the absolute right to split the order and place parallel contracts on one or more tenderers in a manner that will be specified in the main tender.

III. Qualifying Criteria

The following are the Qualifying Criteria which must be fulfilled by the intending firms:

- i) The Bidder should be a manufacturer of Security Thread
- ii) The Bidder should have valid security clearance from Government of India in the sector of Currency/Coin/Passport proposals of RBI/SPMCIL/BRBNMPL/BNPMIPL for any of the security products.

iii) EXPERIENCE & PAST PERFORMANCE:

The Bidder should have manufactured and supplied security thread for manufacturing of banknote paper with windowed security thread in any one year during the last five years (ending 31st March 2017) as detailed below to be eligible for consideration;

- a) For 2 mm Security Thread: The Bidder should have manufactured and supplied in any one year during the last five years at least **1,05,000 Kms** of Security Thread
- b) For 3 mm Security Thread: The Bidder should have manufactured and supplied in any one year during the last five years at least **1,35,000 Kms** of Security Thread.

and if the Bidder is bidding for more than one Schedule the cumulative quantity of all the schedules shall be applicable. For eg, If the bidder wishes to bid for both schedules, then they should have manufactured and supplied at least **2,40,000 Kms** (1,05,000 Kms + 1,35,000 Kms) of security thread in any one year during the last five years. A Bidder will be required to offer minimum of 25% of the tendered quantity to qualify in the techno-commercial bid of the main tender.

Please note that the Indian manufacturers are exempted from experience and past performance criteria.

iv) CAPABILITY, EQUIPMENT & MANUFACTURING FACILITIES:

- a) The Bidder must have an annual capacity to manufacture and supply at least the minimum qualifying quantity as at “III (iii) – Experience and Past Performance” above.
- b) The Bidder must have supplied Security Thread to at least two countries during last five years. In the case of **Indian Manufacturers**, this criterion is relaxed to “**at least one Country**” instead of “Two Countries”. Names of customer/s including contract details shall be furnished by the bidder.
- c) The bidder should produce verifiable evidence of technical competence for manufacturing Colour-Shift Security Thread with magnetic properties and micro-text

of following widths suitable for manufacture of CWBN paper with windowed security thread to qualify for the schedule/s they intend to bid.

- Schedule 1: 2.00 mm or more width.
- Schedule 2: 3.00 mm or more width.

d) The Bidder should produce verifiable evidence of technical competence for manufacturing Colour-Shift Security thread which is having the following properties:

“Polyester vacuum metalised, machine readable demetalised clear text magnetic colour-shift security thread with defined inscriptions with colour-shift when viewed from different angles. The thread shall fluoresce in yellow on the reverse and only the text in yellow on the obverse under ultra-violet light. Security Thread with negative demetalised transparent letters processed in such a way that text matter in scripts is clearly visible under transmitted light even after over printing in the course of Bank Note production”.

e) Bidders should be capable of winding the security thread on large spools/bobbins with a minimum capacity of 40Km per bobbin suitable for mounting on thread unwinding station at modern high speed paper machines.

v) FINANCIAL STANDING:

a) The average annual turnover of the Bidder during the last three years should be more than

- **for Schedule 1: INR 20.00 crore or equivalent**
- **for Schedule 2: INR 36.00 crore or equivalent**

for qualifying to bid for the respective Schedules. Each Bidder should individually qualify for each Schedule for which it is bidding and if the Bidder is bidding for more than one Schedule the cumulative turnover shall be applicable. For eg, If the Bidder wishes to bid for both Schedules, then the Bidder, should have an average annual turnover of more than **INR 56 crore (INR 20 crore + INR 36 crore)** during the last three years.

(Note: Indian Manufacturers are exempted from Average Annual Turnover Criteria)

b) The Bidder, should not have suffered any financial loss for more than one year during the last three years

c) The net worth of the Bidder, should not have eroded by more than 30% in the last three years

vi) SECURITY REQUIREMENT:

- The Bidder should have valid security clearance from Government of India in the sector of Currency/Coin/Passport proposals of RBI/SPMCIL/BRBNMPL/BNPMIPL for any of the security products.
- The Bidder should not be in a list of blacklisted / debarred firms from any Government Agency anywhere in the world and the Bidders shall be required to submit the declaration to that effect.

vii) OTHER REQUIREMENTS-FOR THE BIDDERS:

- a) The Bidder should provide names of the countries to which they have manufactured and supplied Security Thread in the past indicating the quantities supplied annually during the last five years including supplies to their own country, if any.
- b) The Bidder should have in-house control system for controlling the quality parameters of security thread and The Bidder should have in-house testing facilities at their plants and the details thereof should be provided.
- c) 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.
- d) 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 D**.
- e) The Tenderer shall clearly indicate in the EOI if any patent or other proprietary rights are involved for security thread 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 the Purchaser from and against any claims of infringement of any patent from any source. The abuse of patent rights resulting in cartel formation could lead to permanent disqualification of the Tenderer. The Purchaser reserves the right to take such action as deemed fit over the same, without assigning any reason thereof.
- f) BRBNMPL will be entitled to seek additional documents / information from any Bidder at any point in time.

- g) 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.
- h) The Bidder should give the complete details of the addresses, capacities and locations of their production facilities for manufacturing Security Thread, with a confirmation that all such facilities are in exclusive possession and occupation of the Bidder. The Bidder has to indicate from which of its owned and/or other location(s) which are in its exclusive possession and occupation it intends to manufacture and supply the Security Thread. It is clarified that the Bidder will be entitled to utilize only such of its manufacturing facilities that are in its exclusive possession and occupation and not any other facilities.
- i) All experience, past performance, capacity/capability related data and other necessary declarations should be certified by the authorized signatory of the Bidder.
- j) The Bidder should confirm the possession of adequate material security arrangements to protect the integrity of the security features and should have written security plan for their storage and accounting.
- k) The Bidder should be a supplier of security thread for manufacture of paper for printing bank notes for Government of India or any internationally recognized independent authority such as the European Central Bank or the Federal Reserve Bank, U.S.A or any other central bank.
- l) The Bidder should clearly indicate in their EOI that they are submitting the bid for one or more Schedules.
- m) The quantities may be split among the successful Bidders as will be defined in the main tender.
- n) The Bidder may be required to submit further documents, if mandated by the Government of India.
- o) The Bidder is required to submit a self-declaration that they are not engaging any agents for participation in this tender.

viii) GENERAL INSTRUCTIONS FOR THE BIDDER

- a) The Bidder should provide testimony in support of the above mentioned requirements wherever applicable failing which the application will be rejected summarily without further correspondence.
- b) Only those Bidders found eligible in the EOI having valid security clearance from Government of India will be issued Tender Documents and detailed specifications. It may be noted that no fresh security clearance will be obtained for any bidders from the government for qualifying in this EOI. On successful bidding in the final tender the Bidders are required to enter into agreement for exclusivity and supply of the colour shift security thread.
- c) Bharatiya Reserve Bank Note Mudran (P) Ltd. (BRBNMPL), reserves the right to reject any application or cancel the tender without assigning any reason and without any intimation on national security considerations or change in paper specifications or any other ground which is beyond the control of BRBNMPL.
- d) The applications as per enclosed format, are to be submitted in a sealed cover superscribing on the top of the cover “Expression of Interest for the supply of Colour-Shift Security Thread” and to be submitted to The Managing Director, Bharatiya Reserve Bank Note Mudran Private Limited, No.3 & 4, 1st Stage, 1st Phase, BTM Layout, Bannerghatta Road, Bengaluru-560 029, India by 1500 hrs. IST on or before 8th May 2017.
- e) Applications received after the due date and time shall be summarily rejected. The responsibility to submit EOI before the due date and time rests with Bidder and BRBNMPL will not entertain any explanation/reason for late submission.
- f) BRBNMPL will not be responsible for any delay in delivery of bids.
- g) The Bidder is required to submit the “Pre contract Integrity Pact” duly filled and signed on all the pages.
- h) The Bidder is required to submit the undertaking that “the information given in the documents are correct and the Bidder is aware that any information provided is found to be false at a later stage, BRBNMPL reserves the right to reject / disqualify the Bidder at any stage of the tendering process without assigning any reason.”

- i) Bidder shall submit the following declarations / undertakings along with tender application.
- Undertaking not to reveal the specifications etc. of the Security Thread contained in the main tender documents to any third party.
 - The signatory is competent and legally authorized to submit the tender and / or to enter into legally binding contract.
 - A declaration that the Bidder is not in the list of blacklisted /debarred firms of any Government Agency anywhere in the world.
 - Undertaking that the bidder is accepting all the terms and conditions of EOI and abides by it without any counter conditions.
 - The Bidder shall undertake not to supply India specific Security Thread to any other party / country and that it will be responsible to maintain secrecy, security and exclusivity in case contract is awarded to them.
 - Undertaking that the information given in the documents is correct and the Bidder is aware that any information provided is found to be false at a later stage BRBNMPL 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.
 - The Company/firm/organization undertakes not to reveal the information in the Main tender documents to any third party.
 - The operation of the bidder in Pakistan or China, if any, should be suitably firewalled from the contract / operations with Government of India. And shall also declare that no employee who has previously worked or been posted in Pakistan or China in any capacity will be engaged by the Company for this project.
 - Bidder shall note that the validity of security clearance of a Company would lapse, if there is any change in Board of Directors/Key personnel and in ultimate beneficial ownership of 10% and above. The bidder is therefore required to submit an undertaking that any such changes will be intimated without any delay to the Purchaser.

- A duly signed and stamped confidentiality statement as given below is to be furnished-
“The information 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 BRBNMPL”.

Note:-

- All experience, past performance, capacity/capability related data should be certified by the authorized signatory of the bidder firm.
- Bidder to furnish stipulated documents in support of fulfilment of essential qualifying criteria.

Submission of Expression of Interest - Timelines:

- a) Last date & time for receipt of EOI: On or before 1500 hours (IST) on 8th May 2017
- b) Date and time of opening EOI applications: 1600 hours (IST) on 8th May 2017.
- c) In the event of any of the above mentioned dates being declared as a holiday/ closed day for BRBNMPL, the tenders will be sold / received / opened on the next working day at the appointed time.
- d) Location for submission and opening of bids:
Bharatiya Reserve Bank Note Mudran Private Limited,
No.3 & 4, 1st Stage, 1st Phase, BTM Layout,
Bannerghatta Road,
Bengaluru-560 029, Karnataka, India

ENCLOSURES:

- 1) Annexure A: List of documents required
- 2) Annexure B: Information about the participant company.
- 3) Annexure C: Invitation for Submission of EOI
- 4) Annexure D: Information about the Management Personnel.
- 5) Annexure E: Pre-Contract Integrity Pact

ANNEXURE – A

EOI/ST/CO/01/2017-18 dated 5th April 2017

Details of documents

The following documents and information shall be submitted together with the Expression of Interest:

1) Brief description of the company/organization, including its structure and the number of employees.

Name of the firm and complete address including branches; if any:

Status of the firm: Proprietor / Partnership / Regd. Company / Co-op. Society

2) Reference list of major clients and projects of similar nature executed in the last 5 years with relevant details like Supply order/LOI/satisfactory performance certificate.

3) Financial status including income statement, audited balance sheets & P & L accounts, turnover for the last 3 years,

4) The firm should give a declaration that they have not been blacklisted / debarred from dealing by Government of India/BRBNMPL in the past 5 years.

Annexure B
EOI/ST/CO/01/2017-18 dated 5th April 2017

INFORMATION ABOUT THE COMPANY (TO BE FILLED IN BY THE FIRMS)

Sl.No	Description	Details to be filled in
1	Name of the company	
2	Year of Incorporation (a copy of the incorporation certificate may be enclosed)	
3	a) Address of the registered office.	
	b) Telephone no(s).	
	c) Fax no(s).	
	d) Web site, e-mail, if any.	
	e) Address of other regional/local office, if any.	
4	a) Name of the authorized representative of the company for coordination of this job	
	b) Telephone no(s).	
	c) Fax no(s).	
	d) E-mail address.	
5	a) Name of the associate JV company, if any	
	b) Address of the registered office of associate co.	
	c) Telephone no(s).	
	d) Fax no(s).	
	e) Website/email etc	
6	Current net worth (in INR or equivalent)	
7	Turn over for last three financial years (Year-wise)	
8	Any other information, which found necessary for this project	

Date:

Place: Signature of owner /Authorized representative of the company

Annexure: C

Invitation for Submission of EOI (TO BE FILLED IN BY THE FIRMS)

1. Name of the Organization:
2. Type of the organization:
3. Reference No:
4. EOI Title:
5. Category:
6. Sub category:
7. Date of Announcement:
8. Last date for submission:
9. Broad Description of Work:
10. Pre-Qualification Criteria: (Not Applicable)
11. Bid Documents (if Any): Not Applicable.
12. EOI should be submitted to:

The Managing Director,
BHARATIYA RESERVE BANK NOTE MUDRAN (P) LIMITED
Regd & Corporate office: No. 3 & 4, 1st Stage, 1st Phase, B.T.M Layout
Bannerghatta Road, Bengaluru – 560 029, Karnataka, India
Tel no: +91 80 66602000
Fax: +91 80 66602039

Annexure-D – Details of Management Personnel of the Bidder

Details in respect of Company/Firm (Indian/Foreign)

Sl. No.	Full name of companies and its foreign collaborator if any : including details of Board of Directors as in (ii) below	Date of registration	Present & permanent address of Head office, Regional offices and Registered office	Joint ventures with other business owned	Activities and other business owned	Name of CEOs/Partners (with details) as in (ii) below	Shareholding pattern for applicant company (and investing company, if applicable)	Details of earlier approvals, if any ref. No. & date	Ultimate ownership of shareholding companies (and the investing company if applicable) along with detailed particulars of owners as in (ii) below
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Foreign investee/ partner company self declaration regarding presence/operation in China & Pakistan (if any)

ii. Details in respect of Directors/Key Executives

Sl. No.	Full name of Directors /executives	Present position held with date (since when)	Date of birth	Parentage	complete present & permanent address	Nationality	Passport no. and issue date, if any	Contact address and telephone number, if any
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iii. Details of shareholders (all firms/companies/entities to be included. Also, individuals having shareholding more than 10%.

Sl. No.	Full name	Parentage Father/ mother	Date of birth	Permanent address	Complete present address	Present position held	Nationality (if hold dual nationality, both must be clearly mentioned)	% of shares held in other company (if any). The name of company & complete address may be provided
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ANNEXURE E: PRE-CONTRACT INTEGRITY PACT

PRO-FORMA OF THE PRE-CONTRACT INTEGRITY PACT

(To be executed on plain paper and applicable for all tenders of value above Rs.1 crore)

PRE-CONTRACT INTEGRITY PACT

General

This pre-bid pre-contract Agreement (hereinafter called the Integrity Pact) is made onday of the month of 2017 between on one hand, BRBNMPL through BRBNMPL, Corporate Office, Bangalore on behalf of the Managing Director hereinafter called the "BUYER" which expression shall mean and include unless the context otherwise requires his successors in office and assigns of the First Part and represented by..... hereinafter called the BIDDER / SELLER which expression shall mean and include unless the context otherwise requires his successors and permitted assigns of the Second Part.

WHEREAS the BUYER proposes to procure Colour-Shift Security Thread for Indian Banknote Paper and the BIDDER / SELLER is willing to offer / has offered to supply Colour-Shift Security Thread,

And

WHEREAS the BIDDER is a private company / public company / Government undertaking partnership / registered export agency constituted in accordance with the relevant law in the matter and the BUYER is a Company wholly owned by Reserve Bank of India on behalf of its Managing Director.

NOW THEREFORE

To avoid all forms of corruption by following a system that is fair, transparent free from any influence / prejudiced dealings prior to, during and subsequent to currency of the contract

to be entered into with a view to enabling the BUYER to obtain the desired said stores / equipment at a competitive price in conformity with the defined specifications by avoiding the high cost and the distortionary impact of corruption on public procurement and Enabling BIDDERS to abstain from bribing or indulging in any corrupt practice in order to secure the contract by providing assurance to them that their competitors will also abstain from bribing and other corrupt practices and the BUYER will commit to prevent corruption in any form by its officials by following transparent procedures.

The parties hereto hereby agree to enter into this Integrity Pact and agree as follows:

I. Definitions:

In pursuance of the above Pact, for the purpose of this provision, the Buyer defines the relevant terms set forth therein as under:

- 1) “Contract” means the contract entered into between the Buyer and Bidder (or Tenderer) / Contractor for the execution of work mentioned in the preamble above.
- 2) “Contractor” means the bidder or tenderer whose tender (bid) has been accepted by the Buyer or Company whose tender (bid) has been accepted and shall be deemed to include his/its/their successors, representatives, heirs, executors and administrators unless excluded by the Contract.
- 3) “Coercive practice” means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the procurement process or affect the execution of a contract;

In order to achieve these goals, the Buyer proposes to appoint one or more External Independent Monitor/s who will monitor the tender process and the execution of the contract for compliance with the principles mentioned above.

- 4) “Collusive practice” means a scheme or arrangement between two or more bidders, with or without the knowledge of the Buyer designed to establish bid prices at artificial, noncompetitive levels; and
- 5) “Corrupt practice” means the offering, giving, receiving or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution;

- 6) "External Independent Monitor" means a person, hereinafter referred to as EIM, appointed, in accordance with Section X below, to verify compliance with this agreement.
- 7) "Fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of the Buyer and includes collusive practices among Bidders (Prior to or after bid submission) designed to establish bid prices at artificial, noncompetitive levels and to deprive the Buyer of the benefits of free and open competition;
- 8) "Party" means a signatory to this agreement.
- 9) "Purchaser or Buyer" means Bharatiya Reserve Bank Note Mudran Private Limited, incorporated under the Companies Act 1956, having their registered Office at Bangalore 560029 and includes their successors.
- 10) "Bidder or Tenderer" means the person, firm or company submitting a tender (bid) against the invitation to Tender (bid) and includes his/its/their staff, consultants, parent and associate and subsidiary companies, agents, consortium and joint venture partners, sub-contractors and suppliers, heirs, executors, administrators, representatives, successors.

II. Commitments of the Buyer

1. The BUYER commits itself to take all measures necessary to prevent corruption and to observe the following principles:
 - 1.1 The BUYER undertakes that no official of the BUYER connected directly or indirectly with the contract will demand, take a promise for or accept, directly or through intermediaries, any bribe, consideration, gift, reward, favour or any material or immaterial benefit or any other advantage from the BIDDER either for themselves or for any person, organization or third party related to the contract in exchange for an advantage in the bidding process bid evaluation, contracting or implementation process related to the contract.
 - 1.2 The BUYER will during the pre-contract stage treat all BIDDERS alike and will provide to all BIDDERS the same information and will not provide any such information to any particular BIDDER which could afford an advantage to that particular BIDDER in comparison to other BIDDERS.

- 1.3 All the officials of the BUYERS will report to the Director (Technical)/Director (Operations) / General Manager of any attempted or completed breaches of the above commitments as well as any substantial suspicion of such a breach.
2. In case any such preceding misconduct on the part of such official(s) is reported by the BIDDER to the BUYER with full and verifiable facts and the same is prima facie found to be correct by the BUYER, necessary disciplinary proceedings or any other action as deemed fit including criminal proceedings may be initiated by the BUYER and such a person shall be debarred from further dealings related to the contract process. In such a case while an enquiry is being conducted by the BUYER, the proceedings under the contract would not be stalled.

III. Commitments of BIDDERS

1. The BIDDER commits itself to take all measures necessary to prevent corrupt practices, unfair means and illegal activities during any stage of its bid or during any pre-contract or post-contract stage in order to secure the contract or in furtherance to secure it and in particular, commit itself to the following:
 - I.1. The BIDDER will not offer directly or through intermediaries any bribe, gift consideration, reward, favour, any material or immaterial benefit, other advantage, commission, fees brokerage or inducement to any official of the BUYER connected directly or indirectly with the bidding process or to any person, organization or third party related to a contract in exchange for any advantage in the bidding, evaluation, contracting and implementation of the contract.
 - I.2. The BIDDER further undertakes that it has not given, offered, promised to give directly or indirectly any bribe, gift, consideration, reward, favour any material or immaterial benefit or other advantage, commission, fees, brokerage or inducement to any official of the BUYER or otherwise in procuring the Contract or forbearing to do or having done any act in relation to the obtaining or execution of the contract or any other contract with the Government for showing or forbearing to show favour or disfavor to any person in relation to the contract or any other contract with buyer.
 - I.3. BIDDERS of foreign origin shall disclose the name and address of the Agents / representatives in India, if any. Similarly, the bidders of Indian nationality shall furnish the name and address of the foreign principals, if any.

- I.4. BIDDERS shall disclose the payments to be made by them to agents / brokers or any other intermediary in connection with this bid / contract.
- I.5. The BIDDER further confirms and declares to the BUYER that the BIDDER is the original manufacturer / integrator / authorized Government sponsored export entity of the stores and has not engaged any individual or firm or company whether Indian or foreign to intercede facilitate or in any way to recommend to the BUYER or any of its functionaries, whether official or unofficially to the award of the contract to the BIDDER, nor has any amount been paid, promised or intended to be paid to any such individual firm or company in respect of any such intercession, facilitation or recommendation.
- I.6. The BIDDER, either while presenting the bid or during pre-contract negotiations or before signing the contract shall disclose any payment he has made is commented to or intends to make to officials of the BUYER or their family members agents brokers or any other intermediaries in connection with the contract and the details of services agreed upon for such payments.
- I.7. The BIDDER will not collude with other parties interested in the contract to impair the transparency fairness and progress of the bidding process, bid evaluation contracting and implementation of the contract.
- I.8. The BIDDER will not accept any advantage in exchange for any corrupt practice unfair means and illegal activities.
- I.9. The BIDDER shall not use improperly for purposes of competition or personal gain, or pass on to others any information provided by the BUYER as part of the business relationship regarding plans, technical proposals and business details including information contained in any electronic data carrier. The BIDDER also undertakes to exercise due and adequate care lest any such information is divulged.
- I.10. The BIDDER commits to refrain from giving any complaint directly or through any other manner without supporting it with full and verifiable facts.
- I.11. The BIDDER shall not instigate or cause to instigate any third person to commit any of the actions mentioned above.

2. If the BIDDER or any employee of the BIDDER or any person acting on behalf of the BIDDER either directly or indirectly is a relative of any serving / ex-employees of the officers of the BUYER or alternatively if any relative of any serving / ex-employees of the officers of the BUYER has financial interest / stake in the BIDDER's firm, the same shall be disclosed by the BIDDER at the time of filing of tender.

The term relative for this purpose would be as defined in 2(77) of the Companies Act, 2013 as amended from time to time.

3. The BIDDER shall not lend to or borrow any money from or enter into any monetary dealings of transaction directly or indirectly with any employee of the BUYER.

IV. Disqualification from tender process and exclusion from future contracts.

1. If the Bidder, before contract award has committed a transgression through a violation of Section III (commitment of the Bidder) or in any other form such as to put his reliability or credibility as Bidder into question, the Buyer is entitled to disqualify the Bidder from the tender process or to terminate the contract, if already signed, for such reason.
2. If the Bidder / Contractor has committed a transgression through a violation of Section III such as to put his reliability or credibility into question, the Buyer is entitled also to exclude the Bidder / Contractor from future contract award processes. The imposition and duration of the exclusion will be determined by the severity of the transgression. The severity will be determined by the circumstances of the case, in particular the number of transgressions, the position of the transgressors within the company hierarchy of the Bidder and the amount of the damage. The exclusion will be imposed for a minimum of 1 year and maximum of 3 years.
3. A transgression is considered to have occurred if the Buyer after due consideration of the available evidence, concludes that no reasonable doubt is possible.
4. The Bidder/ Contractor accepts and undertakes to respect and uphold the Buyer's absolute right to resort to and impose such exclusion after giving opportunity of hearing to the bidder. This undertaking is given freely and after obtaining independent legal advice.
5. If the Bidder / Contractor can prove that he has restored / recouped the damage caused by him and has installed a suitable corruption prevention system, the Buyer

may revoke the exclusion prematurely, provided such systems has been audited by an independent agency.

V. Compensation for Damages

1. If the Buyer has disqualified the Bidder from the tender process prior to the award according to Section IV, the Buyer is entitled to demand and recover from the Bidder liquidated damages equivalent to Earnest Money Deposit / Bid Security.
2. If the Buyer has terminated the contract according to Section IV or if the Buyer is entitled to terminate the contract according to Section III, the Buyer shall be entitled to demand and recover from the Contractor liquidated damages equivalent to Security Deposit / Performance Bank Guarantee.

VI. Previous Transgression

1. The BIDDER declares that no previous transgression occurred in the last three years immediately before signing of this Integrity Pact, with any other company in any country confirming to anti-corruption approach in respect of any corrupt practices envisaged hereunder or with any Public Sector Enterprise in India or any Government Department in India that could justify BIDDER's exclusion from the tender process.
2. The BIDDER agrees that if it makes incorrect statement on this subject BIDDER can be disqualified from the tender process or the contract already awarded, can be terminated for such reason.

VII. Earnest Money (Security Deposit)

1. While submitting commercial bid, the BIDDER shall deposit an amount 2% of the total value of the contract as Earnest Money / Security Deposit, with the BUYER through any of the following instruments:
 - a. Bank Draft or a Pay Order in favour of Bharatiya Reserve Bank Note Mudran Private Limited. A confirmed guarantee by an Indian Nationalised Bank promising payment of the guaranteed sum to the BUYER or demand within three working days without any demur whatsoever and without seeking any reasons whatsoever. The demand for payment by the BUYER shall be treated as conclusive proof of payment.

- b. Any other mode or through any other instrument (as specified in the tender document).
2. The Earnest Money shall be valid for 45 days beyond the final tender validity period. Security Deposit shall be valid for 60 days after complete conclusion of the contractual obligations to the complete satisfaction of both the BIDDER and the BUYER and after completion of warranty period.
3. In case of successful BIDDER a clause would also be incorporated in the Article pertaining to Performance Bond in the Purchase Contract that the provisions of Sanctions for Violation shall be applicable for forfeiture of Performance Bond in case of a decision by the BUYER to forfeit the same by assigning reason for imposing sanction to violation of this Pact.
4. No interest shall be payable by the BUYER to the BIDDER on Earnest Money / Security Deposit for the period of its currency.

VIII. Sanctions for Violations

1. Any breach of the aforesaid provisions by the BIDDER or any one employed by it or acting on its behalf (whether with or without the knowledge of the BIDDER) shall entitle the BUYER to take all or any one of the following actions wherever recurred.
 - i) To immediately call off the pre-contract negotiations after assigning any reason. However, the proceedings with the other BIDDER(s) would continue.
 - ii) The Earnest Money Deposit (in pre-contract stage) and / or Security Deposit / Performance Bond (after the contract is signed) shall stand forfeited either fully or partially as decided by the BUYER and the BUYER shall assign reason therefore.
 - iii) To immediately cancel the contract if already signed, without giving any compensation to the BIDDER.
 - iv) To recover all sums already paid by the BUYER and in case an Indian BIDDER with interest thereon at 2% higher than the prevailing Prime Lending Rate of State Bank of India, while in case of BIDDER from a country other than India with interest thereon at 2% higher than the LIBOR. If any outstanding payment is due to the BIDDER from the BUYER in connection with any other contract for other stores, such outstanding payment could also be utilized to recover the aforesaid sum and interest.

- v) To encash the advance bank guarantee and performance bond / warranty bond if furnished by the BIDDER in order to recover payments already made by the BUYER along with interest.
 - vi) To cancel all or any other contracts with the BIDDER. The BIDDER shall be liable to pay compensation for any loss or damage to the BUYER resulting from such cancellation / rescission and the BUYER shall be entitled to deduct the amount so payable from the money due to the BIDDER.
 - vii) To debar the BIDDER from participating in future bidding processes of the buyer for a minimum period of 5 years, which may be further extended at the discretion of the BUYER.
 - viii) To recover all sums paid in violation of this Pact by BIDDER(s) any middlemen or agent or broker with a view to securing the contract.
 - ix) Any letter of credit, including revolving Letter of Credit, opened by buyer, shall be rendered infructuous from the date of advice of violation by buyer.
 - x) Forfeiture of Performance Bond in case of a decision by the BUYER to seek for the forfeiture for imposing sanction for violation of this Pact.
2. The BUYER will be entitled to take all or any of the actions mentioned at Section VIII para 1 (i) to (x) of this Pact also on the Commission by the BIDDER or any one employed by it or acting on its behalf (whether with or without the knowledge of the BIDDER) of an offence as defined in Chapter IX of the Indian Penal Code, 1860 or Prevention of Corruption Act, 1988 or any other statute enacted for prevention of corruption.
3. The decision of the BUYER to the effect that a breach of the provisions of this Pact has been committed by the BIDDER shall be final and conclusive on the BIDDER. However, the BIDDER can approach the independent Monitor (s) appointed for the purposes of this Pact.

IX. Fall Clause

The bidder undertakes that it has not supplied/is not supplying similar product /systems or sub-systems at a lower price than that offered in the present bid in respect of any other customer in India, Ministry /Department of the Government of

India or PSU and if it is found at any stage that similar products/systems or such systems was supplied by the Bidder to any of these entities at a lower price than that very price with due allowance for elapsed time would be applicable to the present case and the difference in the cost would be refunded by the Bidder to the Buyer if the contract has already been concluded.

X. External Independent Monitor-

Name of the IEM : Shri. V. SANTHANA RAMAN.

E-mail: v.santhanaraman@gmail.com

1. The BUYER appoints competent and credible external independent Monitor for this Pact. 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 functions, neutrally and independently. He reports to the Chairperson of the Board of the Buyer.
3. The Contractor accepts that the Monitor has the right to access without restriction to all Tender/Contract documentation of the Buyer including that provided by the Contractor. The Contractor will also grant the Monitor, upon his request and demonstration of a valid interest, unrestricted and unconditional access to tender/contract documentation. The same is applicable to Subcontractors. The Monitor is under contractual obligation to treat the information and documents of the Bidder / Contractor / Subcontractor with confidentiality, provided that this clause is subject to the general confidentiality clause.
4. The Buyer 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 Buyer and the Contractor. The parties offer to the Monitor the option to participate in such meetings.
5. As soon as the Monitor notices, or believes to notice, a violation of this agreement, he will so inform the Management of the Buyer and request the Management to discontinue or heal the violation, 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. However, Independent External Monitor shall give an opportunity to the bidder/contractor to present its case before making its recommendations to the management of the buyer.

6. The Monitor will submit a written report to the Chairperson of the Board of the Buyer within 8 to 10 weeks from the date of reference or intimation to him by the 'Buyer' and, should the occasion arise, submit proposals for correcting problematic situations.
7. Monitor shall be entitled to compensation on the same terms as being extended to / provided to Outside Expert Committee members / Chairman as prevailing with Buyer.
8. If the Monitor has reported to the Chairperson of the Board a substantiated suspicion of an offence under relevant Anti-Corruption Laws of India, IPC/PC Act and the Chairperson has not, within reasonable time, taken visible action to proceed against such offence or reported it to the Vigilance Office, the Monitor may also transmit this information directly to the Central Vigilance Commissioner, Government of India.
9. The word 'Monitor' would include both singular and plural.

XI. Facilitation of Investigation

In case of any allegation of violation of any provisions of this Pact or payment of commission, the BUYER or its agencies shall be entitled to examine all the documents including the Book of Accounts of the BIDDER and the BIDDER shall provide necessary information and documents in English and shall extend all possible help for the purpose of such examination.

XII. Law and Place of Jurisdiction

This Pact is subject to Indian Law. The place of performance and jurisdiction is the seat of the BUYER.

XIII. Other Legal Actions

1. The actions stipulated in this Integrity Pact are without prejudice to any other legal action that may follow in accordance with the provisions of the extant law in force relating to any civil or criminal proceedings.
2. Changes and supplements as well as termination notices need to be made in writing.
3. If the Contractor is a partnership or a consortium this agreement must be signed by all partners or consortium members.

XIV. Validity

1. The validity of this Integrity Pact shall be from the date of its signing and valid for 60 days after complete conclusion of the contractual obligations to the complete satisfaction of both the BUYER and the BIDDER and after completion of warranty

period. In case the BIDDER is unsuccessful this Integrity Pact shall expire after conclusion of the tender. 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 of the buyer.

2. Should one or several provisions of this Pact turn out to be invalid, the remainder of this Pact shall remain valid. In this case the parties will strive to come to an agreement to their original intentions.
3. The parties hereby sign this integrity pact at ____ on _____.

BUYER

BIDDER

Name of the Officer

“Authorised signatory of the Bidder”

Designation

Witness

Witness

1. _____

1. _____

2. _____

2. _____