

Record of Discussions - EoI - PC sheets Manufacturing Pre-bid meeting

A pre-bid meeting was scheduled on 26.02.2026 @ 11:00 am under the Chairmanship of CGM (ISP/CBSI) at SPMCIL CHO for clarifications for the EoI titled - "Creation of manufacturing facility for (a.) Polycarbonate (PC) sheet manufacturing & (b.) Incorporation of elements in the manufactured PC/Overlay (such as Imitation of moving images, 3D images, Holographic effects etc.) for Indian e-Passports at India Security Press, Nashik through Joint Venture (JV) and/or Technology Transfer arrangement from established manufacturers.

The list of officials & firm's representatives attended the meeting is annexed:

1.0 CGM (ISP/CBSI) started the meeting with a brief introduction of the ISP & CBSI team and conveyed the requirements of ISP to the firms through a Presentation.

2.0 The queries raised by the firms & reply are as under:

Sr. No.	Queries	ISP Reply
Joint Venture Structure & Commercial Framework		
Ownership & Governance:		
1	What is the expected shareholding structure in the proposed Joint Venture?	The SPMCIL share holding will be more than 51%.
2	Who will hold operational control and decision-making authority?	SPMCIL will hold operational control and decision making authority.
3	What are the governance mechanisms (board structure, voting rights, reserved matters)?	Shall be decided with the JV partner.
4	Is it expected that the JV manufacturing facility be located within Government-owned premises?	Yes. At any of the SPMCIL units.
5	Any limitation on the number of companies involved in the JV as a consortium with the India Security Press (ISP)?	May be limited to maximum 03 companies for clause no. 4,10,11 part (a) & (b) - of the tender scope and corrigendum dated 21.02.2026.
6	How many bidders are required for either JV or ToT to finalize the contract award?	Minimum 02 bidders.
7	What happens if only 1 PC supplier/bidder participate or no bids are received for the tender?	Tender will be considered for refloating with wider publicity.
8	What if any PC supplier don't bid for either JV or ToT, will that supplier be excluded from	No. The bidder will not be excluded.

	interim and/or future PC sheets procurement or tender participation requests from ISP?	
9	Will tendering process will be involved after JV/ToT for procurement of PC?	After formation of JV/ToT for PC manufacturing, tendering will not be involved for procurement of manufactured PC.
Project Implementation Time line:		
10	What is the expected timeline for: <ul style="list-style-type: none"> • Incorporation of the JV entity? • Plant commissioning? • Start of commercial production? 	Approx. timelines are as follows: Incorporation: 06 months Plant commissioning: 16 months Start of commercial production: 18 months
Local Content & Equipment:		
11	Are there local content requirements for equipment sourcing?	As per Public Procurement (Preference to Make in India PPP_MII) Order, 2017.
12	Are there any restrictions regarding import of specialized machinery?	Has to follow the guidelines as per Public Procurement (Preference to Make in India PPP_MII) Order, 2017. & As per Ministry of Finance, Department of Expenditure, Public Procurement Division, Orders (Public Procurement 1,2 and 3) F. No. 6/18/2019-PPD dated 23rd/24th July 2020.
13	Whether PC sheets can be manufactured elsewhere - Domestic/Imported ?	Yes, All options are open & will be finalized after detailed EoI evaluation. Priority will be for PC sheets manufacturing under Make in India.
14	Whether PC Jumbo rolls can be converted to smaller rolls within ISPN?	Yes. The conversion facility has to be created at SPMCIL premises.
Commercial & Financial Framework:		
15	Is there a guaranteed off-take agreement (minimum volume commitment)?	Yes. The annual requirement i.e. minimum volume commitment is approx. 375 MT per annum.
16	Is there a minimum purchase guarantee to ensure investment viability?	Yes. The annual requirement i.e. minimum volume commitment is approx. 375 MT per annum. The firms are requested to provide the feasibility details.

		If the minimum installed production line capacity is higher than the minimum requirement, the same shall be utilized in Indian / Foreign market.
17	What is the selection/judging criteria for the winning bid to select the JV partner or what will be the model of collaboration? (i.e. years of PC ID manufacturing experience, references, price, other and what is the weighting of each)	Selection criteria for JV/ToT will be based on Quality and Cost Based Selection (QCBS).
18	How is the cost of the project considered ?	The project implementation will be in a Phased manner for total JV/ToT model. Accordingly, the cost may be considered.
19	When & How will the RFP be issued?	The tender will be published in 06 months & will be an open RFP/RFQ.
20	What pricing mechanism will be applied? <ul style="list-style-type: none"> • Fixed price model? • Raw material index-based formula? • Open-book costing approach? 	Raw material index-based formula for the final product & the price variation formula has to be created.
21	What currency will transactions be denominated in?	INR
22	Are any SOPs available regarding the Next Gen passport with PC data page?	No. Currently no SOPs for PC manufacturing is available. The firms have to provide the details in the EoI.
23	What is the est. demand for the first 2 years of the project? The stated annual volumes of 225MT (PC sheets) and PC overlay (150MT) is starting which year and are these the peak years est. annual demands?	The quantity required is 02 Crs Passport booklets per annum from FY 2026-27 onwards. The quantity will increase gradually in future.
24	Does ISP have a confirmed budget for the JV or ToT? If so, what is the budget?	Budget shall be allotted based on the inputs from EoI.
25	Does the JV have plan to sell only to Indian ID document programs or also to overseas government agencies or ID document suppliers? What are the expectations regarding exclusivity of supply to India Security Press?	After fulfilling SPMCIL requirements, i.e., approx. 375 MT pre annum, the surplus capacity shall be utilised for other Govt. documents. Further the option of export may be explored.

26	Assuming JV, how will the joint business address P&L elements and what are the KPI's to meet on an annual basis?	Shall be discussed & decided with the JV partner.
27	The JV is ideally for how many years? (i.e. duration of the passport validity period of 10 years?)	Approx. 12 years.
28	How will profits, losses, and dividends be shared?	Based on the shareholding pattern.
29	What are the expected revenue projections and ROI timelines?	Based on the minimum volume requirement per annum.
30	Market & Commercial Strategy if other supply is anticipated than those to ISP: What pricing strategy and competitive positioning is planned? How will market expansion and new product development be handled?	Shall be discussed & decided with the JV partner.
31	How will contract terms, duration, and renewal conditions be structured?	GoI, Department of Investment and Public Asset Management (DIPAM) guidelines will be followed for Joint Venture (JV) and/or Technology Transfer arrangement.
32	What penalty clauses and performance incentives will apply?	Shall be discussed & decided with the JV partner.
33	How will the upgradation of technology take place in the JV/ToT ?	The guidelines for technology upgradation shall be included in the business model. The JV/ToT partner should assure that all the related technology upgradations are to be shared with SPMCIL.
34	In JV/ToT, whether the cost of various models can be mentioned in the EoI?	Yes. Various detailed options/suggestions of JV/ToT model can be mentioned in the EoI.
35	What are the timelines for Security Clearances?	Security clearance of the firms is under purview of Ministry of Home Affairs (MHA), GoI. SPMCIL can only expedite for the clearance.
	Risk Allocation & Legal Framework:	
36	What are the exit conditions for the JV partner?	GoI, Department of Investment and Public Asset Management (DIPAM) guidelines will be followed for Joint

		Venture (JV) and/or Technology Transfer arrangement.
37	How will dispute resolution be handled (arbitration jurisdiction and governing law)?	As per clause no. 15.3 of the SPMCIL Procurement Manual, 3.0 attached as Annexure - I .
38	Will the land border sharing clause be followed?	Yes. Will be 100% followed on all Govt. procurement.
39	How will the confidentiality be protected ?	The confidential details can be mentioned along with the submission of EoI documents & it is not necessary to reveal in any public platform.
	Resource Management, Infrastructure & Security	
40	How will Supply chain security be maintained? What warehouse management systems and processes are required?	SOPs of SPMCIL will be followed.
41	What Compliances & regulatory requirements must be met?	As per GoI guidelines.
42	Who will be responsible for providing raw materials? Who will operate the machinery and equipment?	SPMCIL. All the procurements will be done as per DPE, Manual of Goods.
43	Who will handle maintenance and technical support?	Roles & Responsibilities will be defined in the agreement on mutually accepted terms.
44	What staffing levels and skill requirements are needed?	The firms are requested to provide the details in the EoI.
45	Does manufacturing at ISPN will require strict environmental compliances & quality assurance?	Yes. all GoI guidelines, statutory procedures of ICAO & ISO are to be followed and complied.
46	How will production planning and capacity management work?	As per SPMCIL policies.
	Technology Transfer Scope & Intellectual Property	
	A. Scope of Technology Transfer:	
47	What level of technology transfer is expected? / What specific technologies and know-how will be transferred? <ul style="list-style-type: none"> • Full manufacturing know-how? • Detailed process parameters? 	SPMCIL is looking for a comprehensive Technology Transfer which includes the following: <ul style="list-style-type: none"> • Full manufacturing know-how. • Detailed process parameters.

	<ul style="list-style-type: none"> • Formulation disclosure? • Equipment sourcing support? • Quality control protocols and validation procedure <p>Whether Training and knowledge transfer programs are required?</p>	<ul style="list-style-type: none"> • Formulation disclosure. • Equipment sourcing support. • Quality control protocols and validation procedure. <p>Yes.</p>
48	Is complete transfer of proprietary formulations required, or would a licensed production model be acceptable?	Complete transfer of proprietary formulations are required.
49	Will the technology transfer be compensated through a one-time / annual service fee, or will it be structured as an ongoing royalty arrangement based on production volume? What are the licensing terms, royalty structures, and ongoing fees?	The technology transfer shall be compensated through a royalty arrangement based on Production volume.
50	Is Polycarbonate material is a security item ?	PC material is not a security item. After conversion, i.e. incorporation of elements in the manufactured PC film, it becomes a security item.
51	Whether the elements are to be incorporated in in the manufactured single PC sheet / overlay / layers in the PC data page?	Yes, the security elements/features are to be incorporated in the manufactured single PC sheet / overlay / layers in the PC data page.
51	Whether the manufacturing facility for incorporation of elements/features are to be setup in SPMCIL premises as the required quantity is only 150MT? Whether the incorporation of elements can be considered as a value addition ?	After receiving inputs from EoI, the feasibility will be assessed. The activity of incorporation of elements will be considered as value addition.
52	The size & investment involved for a large scale setting up will be very high. Can the option of export be considered?	ISPN requirement might be small in comparison to the minimum plant capability for PC manufacturing. Yes, the option of export will be considered by SPMCIL. The firms are requested to share all feasible options with details in the EoI.
53	Will the same technology of the company be used elsewhere?	As per JV/ToT agreement.
54	Whether the complete testing facilities have to be created inhouse?	Yes. Inhouse testing facilities are to be created.

	B. Intellectual Property Protection:	
55	How will intellectual property (IP) be protected under Indian jurisdiction?	The IP rights have to be shared with SPMCIL & the same will not be shared by SPMCIL to any other third party/external agency.
56	Will IP ownership remain with the technology provider?	The IP rights have to be shared with SPMCIL & the same will not be shared by SPMCIL to any other third party/external agency.
57	Under the Technology Transfer framework, will the locally manufactured products carry our existing brand name, or will they be produced under a separate local brand designation?	No. there will be no specific branding for SPMCIL products manufactured using the transferred technology.
58	What safeguards will be implemented to prevent unauthorized replication or use outside the agreed scope?	NDA will be signed. SPMCIL is a government of India owned security sensitive organization & no third party will be involved.
59	How will intellectual property rights be protected and shared? How to secure the already published intellectual property (IP) rights & non-patent IP rights ?	NDA/Agreement will be signed regarding the technology use for specific purpose only. The details of IP & non-patent intellectual rights can be mentioned in the EoI.
	Production Scope & Export Rights:	
60	Will there be restrictions on future independent productions?	No.
61	Will there be restrictions on export outside the project scope?	As per JV/ToT agreement & GoI guidelines.
62	Will the technology be limited strictly to India Security Press supply?	No. Will be for SPMCIL & GoI.
	General Queries	
63	Where will the e-chip be positioned ?	The e-chip will be in the Passport cover only & not in the PC data page.
64	For PC datapages the printing of personal/individual data will also change.The entire personalization ecosystem have to be changed. Laser colour photo personalization is	Passport Personalization is not in ISPN /SPMCIL purview.

	also possible. Whether personalization of Passport will be done by SPMCIL?	
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3.0 All the participated firms have requested to extend the EoI date to atleast 8-10 weeks after the prebid reply for including all the various details & pricing regarding machinery cost, manpower, Customization, Production planning etc.. It was informed that the request for extension of EoI bid due date shall be considered.

Meeting ended with a vote of thanks.

SPMCIL Procurement Manual

15.3 Mode of Settlement of Disputes

15.3.1 Arbitration

When a dispute/ difference arise, both SPMCIL and the supplier shall first try to resolve the same amicably by mutual consultation. Normally, there should not be any scope of dispute between the purchaser and the supplier after entering into a mutually agreed valid contract. However, due to various unforeseen reasons, problems may arise during the progress of the contract leading to disagreement between the purchaser and the supplier. Therefore, the conditions governing the contract shall contain suitable provision for settlement of such disputes/ differences binding on both the parties. Mode of settlement of such disputes/ differences shall be through Arbitration. However, when a dispute/ difference arises, both the purchaser and the supplier shall first try to resolve the same amicably by mutual consultation.

If the parties fail to resolve the dispute by such mutual consultation within twenty-one days, then, depending on the position of the case, either the purchaser or the supplier shall give notice to the other party of its intention to commence arbitration. When the contract is with domestic supplier, the applicable arbitration procedure will be as per Indian Arbitration and Conciliation Act, 1996 as amended by Arbitration and Conciliation (Amendment) Act, 2015 and 2021. While processing a case for dispute resolution/litigation/arbitration, the procuring entity is to take legal advice, at appropriate stages.

15.3.2 Arbitration Clause:

Having regard to legal complications, cost involved in litigation and difficulties in enforcing legal awards, if amicable settlement is not forthcoming, and recourse may be taken to settlement of disputes through arbitration as per The Arbitration and conciliation Act 1996. For this purpose, when the contract is a domestic supplier, a standard arbitration clause may be included in the SBD indicating the arbitration procedure to be followed in accordance with Indian Arbitration and Conciliation Act, 1996 as amended by Arbitration and Conciliation (Amendment) Act, 2015. The venue of arbitration shall be the place from where the contract has been issued.

Arbitration and dispute resolution

i) During operation of the contracts, issues and disputes arising due to lack of clarity in the contract become the root cause of litigation. Litigation has adverse implications on the timelines and overall cost of the project. Before resorting to arbitration/litigation, the parties may opt for mutual discussion, mediation, and Conciliation for the resolution of disputes.

ii) Arbitration /court awards should be critically reviewed. In cases where there is a decision against SPMCIL, the decision to appeal should not be taken in a routine manner, but only when the case genuinely merits going for the appeal and there are high chances of winning in the court/ higher court. There is a perception that such appeals etc. are sometimes resorted to postpone the problem and defer personal accountability. Casual appealing in arbitration / court cases has resulted in payment of heavy damages / compensation / additional interest cost, thereby causing more harm to the exchequer, in addition to tarnishing the image of the Government.

iii) SPMCIL should monitor the success rate of appealing against arbitration awards. There should be a clear delegation to empower officials to accept arbitration / court orders. A special board / committee may be set up to review the case before an appeal is filed against an order. Arbitration /court awards should not be routinely appealed without due application of mind on all facts and circumstances including realistic probability of success. The board / committee or other authority deciding on the matter shall clarify that it has considered both legal merits and the practical chances of success and after considering the cost of, and rising through, litigation / appeal / further litigation as the case may be, it is satisfied that such litigation / appeal / further litigation cost is likely to be financially beneficial compared to accepting the arbitration / court award.

iv) Statistics have shown that in cases where the arbitration award is challenged, a large majority of cases are decided in favour of the contractor. In such cases, the amount becomes payable with the interest, at a rate which is often far higher than the government's cost of funds. This results in huge financial losses to the government. Hence, in aggregate, it is in public interest to take the risk of paying a substantial part of the award amount subject to the result of the litigation, even if in some rare cases of insolvency etc. recovery of the amount in case of success may become difficult. Instructions have been issued in this matter in the past, but have not been fully complied with.

v) The only circumstances in which such payment need not be made is where the contractor declines, or is unable, to provide the requisite bank guarantee and/or fails to open a escrow account as required. Persons responsible for not adhering to are liable

to be held personally accountable for the additional interest arising, in the event of the final court order going against the SPMCIL.

15.3.3 Foreign Arbitration

The Arbitration and conciliation Act 1996 has provision for international commercial arbitration which will be applicable if one of the parties has its central management and control from any foreign country. The salient features of this law are: -

- (a) The parties can choose either Indian or Foreign Law governing arbitration.
- (b) Minimization of interference of courts in stalling arbitration proceedings.
- (c) Arbitrator can be changed by mutual consent without approaching court.
- (d) Vesting of enhanced powers to arbitrator.
- (e) Clearly defining obligations of the arbitrator.
- (f) Arbitrators award to be enforceable as if it were a decree of court.

Purchase contracts with Foreign Firms should be in the form of self-contained agreements, especially for large value contracts or those for costly plant and machinery which involves elaborate erection & commissioning, trying out of capacity/ quality/ consumption rate/ time cycles warranty period etc. The venue of arbitration shall be in accordance with UNCITRAL or Arbitration Rules of India, whereby it may be in India or in any neutral country. When the contract is with foreign supplier, the supplier has the option to choose either Indian Arbitration and Conciliation Act, 1996 as amended by Arbitration and Conciliation (Amendment) Act, 2015 or Arbitration in accordance with the provision of UNCITRAL (United Nations Commission on international Trade Law) Arbitration Rules.

Arbitration Awards

i) In cases where the Ministry/Department has challenged an arbitral award and, as a result, the amount of the arbitral award has not been paid, 75% of the arbitral award (which may include interest up to date of the award) shall be paid by the Ministry/ Department to the contractor/ concessionaire against a Bank Guarantee (BG). The BG shall only be for the said 75% of the arbitral award as above and not for the interest which may become payable to the Ministry/Department should the subsequent court order require refund of the said amount.

ii) The payment may be made into a designated Escrow Account with the stipulation that the proceeds will be used first, for payment of lenders' dues, second, for completion of the project and then for completion of other projects of the same Ministry/ Department as mutually agreed/decided. Any balance remaining in the

escrow account subsequent to settlement of lenders' dues and completion of projects of the Ministry/ Department may be allowed to be used by the contractor/ concessionaire with the prior approval of the lead banker and the Ministry/ Department. If otherwise eligible and subject to contractual provisions, retention money and other amounts withheld may also be released against BG.