



**Karnataka Antibiotics & Pharmaceuticals Limited
(A Government of India Enterprise)**

Invites

Expression of Interest (EoI) offering acquisition of its
under-construction facility for the production of
7-AMINO CEPHALOSPORANIC ACID (7-ACA)
on an "AS IS WHERE IS" basis.

DISCLAIMER

The Karnataka Antibiotics & Pharmaceuticals Limited (KAPL) presented this document to furnish applicants with a comprehensive overview of its 7-AMINO CEPHALOSPORANIC ACID (7-ACA) manufacturing facility currently under construction in Ujjain, Madhya Pradesh. The content of this document is solely for informational and discussion purposes and does not grant any rights to applicants or have any legal binding. M/s. KAPL does not make any claims, promises, or guarantees regarding the accuracy, completeness, or adequacy of the information contained in this document. It is advisable to conduct your due diligence before moving forward. By utilizing the information provided in this document, you accept full responsibility for any potential loss, damage, or liability that may occur. Additionally, you release M/s. KAPL and the authors of this document, along with their contributors, agents, licensees, successors, and assigns, from any known or unknown claims, demands, or causes of action that may arise as a result of your use of the information. In continuation to the foregoing, M/s. KAPL retains the prerogative to cancel or discontinue the sale, modify its scope, and extend the forms and formats outlined in this document. Additionally, it reserves the right to refuse further discussions with any interested party.

**Karnataka Antibiotics & Pharmaceuticals Limited
(A Government of India Enterprise)**

Ref:KAPL/BDP/CG/1824

Date:16/11/2024

INVITATION FOR EXPRESSION OF INTEREST

Karnataka Antibiotics & Pharmaceuticals Limited, a Government of India Enterprise, is inviting Expression of Interest (“EoI”) from potential applicants interested in acquiring the under-construction 7-AMINO CEPHALOSPORANIC ACID (7-ACA) manufacturing facility situated in Ujjain, Madhya Pradesh.

This invitation for Expression of Interest (EOI) regarding the acquisition of M/s. KAPL's assets (“Invitation”) shall encompass any supplementary documents, annexures, or information issued or uploaded on KAPL's website. The Invitation is not to be considered a prospectus, an offer document, or a letter of offer for the sale of M/s. KAPL's assets, nor does it serve as a confirmation of any transaction that has been or will be entered into by M/s. KAPL. This Invitation serves solely as an invite for the submission of Expressions of Interest (EOI) from interested parties, hereafter referred to as the “Applicants.” Its objective is to assess the interest and other relevant factors to facilitate the sale of the project.

While the comprehensive terms and conditions can be downloaded from M/s. KAPL’s website at <http://kaplindia.com>, it is important for the Applicant to carefully read this document before submitting their response. Submission of response to this invitation signifies a thorough study and examination, along with a clear understanding of its terms, conditions, and implications. Applicants who satisfy the prerequisites are encouraged to submit their responses electronically in accordance with the format and procedure specified in this document.

Assistant General Manager

**SCHEDULE FOR THE SUBMISSION OF RESPONSE
TO THE EoI**

Sl. No	Information	Details
1.	Tentative date for the publication of EoI.	16/11/2024
2.	Document available on	www.tenderwizard.com/KAPL
3.	Authority to be contacted for additional information.	<p>1. Project related</p> <p>a. Mr. N C Mahesh DGM Project e-mail:hodbulkdrugs@kaplindia.com</p> <p>b. Mr K L Jala Technical Advisor e-mail:ta2md@kaplindia.com</p> <p>2.Tender related Mr Ramesha B AGM -Purchase e-mail:hodpurchase@kaplindia.com</p>
4.	Last Date for Requesting Clarification(s), if any, only through e-mail.	28/11/2024
5.	Application Due Date	23:59 PM on 07/12/2024
6.	Mode of EoI submission	Online
7.	The tentative date for the opening of the responses.	15:00 PM on 09/12/2024
8.	Offer (EoI) validity	90 days or such extension sought for by M/s. KAPL by modification issued in this regard.

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**Karnataka Antibiotics & Pharmaceuticals Limited
(A Government of India Enterprise)**

**SECTION-I
INVITATION FOR EXPRESSION OF INTEREST**

1. INTRODUCTION

Karnataka Antibiotics & Pharmaceuticals Limited (KAPL), a Government of India Enterprise located in Bengaluru, Karnataka- 560058, has been actively engaged in the manufacturing and marketing of a diverse range of Pharmaceutical, Ayurvedic, Veterinary, and Agro-chemical products since 1984. M/s. KAPL, a WHO-GMP-certified organisation, holds ISO accreditation for its dedication to quality and services. It has been a profit-making company since its inception, and its facilities have garnered approval from several nations for the supply of pharmaceutical products.

2. DEFINITION

- 2.1 *“Atmanirbhar Bharat”* or self-reliant India campaign aim is to make the country and its citizens independent and self-reliant in all senses viz. Economy, Infrastructure, System, Vibrant Demography and Demand.
- 2.2 *“Applicant”* refers to a person who has submitted an Expression of Interest, indicating interest in buying the under-construction project.
- 2.3 *“As-is-where-is”* refers to the assets being sold and conveyed without any representations or warranties regarding their condition or suitability for a specific purpose.
- 2.4 *“Expression of Interest/ EoI”* refers to the interest/response submitted by an Applicant following the terms and conditions of this invitation.
- 2.5 *“Project”* refers to the manufacturing plant for 7-AMINO CEPHALOSPORANIC ACID (7-ACA) being constructed by KAPL in Ujjain, Madhya Pradesh.
- 2.6 *“Production-linked incentive (PLI)”* refers to the Production Linked Incentive (PLI) Scheme for Promotion of Domestic Manufacturing of Critical Key Starting Materials (KSMs)/ Drug Intermediates and

Active Pharmaceutical Ingredients (APIs) in the Country notified vide Gazette dated JULY 21, 2020.

3. 7-AMINO CEPHALOSPORANIC ACID (7-ACA) PROJECT

3.1. The Government of India has introduced a production-linked incentive (PLI) scheme to boost the manufacturing of key starting materials (KSMs) and realize the vision of "*Aatmanirbhar Bharat*," aiming for self-sufficiency in the production of active pharmaceutical ingredients (API). With a yearly commitment of 1000 mt, the government approved M/s. KAPL to generate 1500 mt of 7-ACA, ensuring up to Rs.600 crores in benefits over six years under the PLI scheme. The project involves the production of a KSM for the manufacture of Cephalosporin antibiotics, specifically a 5th-generation antibiotic intended to address various ailments and infections while combating antibiotic resistance. At present, there is no producer of 7-ACA in India. 7-Amino Cephalosporanic Acid (7-ACA) is a crucial intermediate in the synthesis of cephalosporin antibiotics and serves as a key starting material for the production of various cephalosporin antibiotics. The core chemical structure for the synthesis of cephalosporins and their intermediates is served by it.

3.2. M/s. KAPL has secured a 50-acre plot of land in Ujjain's Vikram Udyogpuri industrial area for a 99-year lease at a nominal fee of Re.1 per acre per annum. The location has essential infrastructure like power, water, road connectivity, single-window clearance, and a Common Effluent Treatment Plant (CETP). In addition, M/s. KAPL has finalized an indigenous technology provider who, in collaboration with an innovator located in Romania, is providing technology for the Project.

3.3. Summarizing the progress made to date, M/s. KAPL has effectively accomplished Civil Engineering tasks in Phase I. This includes conducting Topographical, Traverse & Contour Surveys, performing Geotechnical Soil Investigations, securing necessary approvals from Government Departments, and constructing a Boundary Wall, Roads, drains, a water tank, and a Security Block. Approximately 48% of the Civil Works in Phase II have been completed. In Phase III, civil works

concerning the Cooling Tower Foundation, Weigh-bridge, gas storage tank, RM liquid storage tank, fuel yard, DG & Boiler equipment foundation, RE wall works, pipe racks, fire line and electrical line foundation, among others, are to be undertaken.

4. PLANT MACHINERY AND EQUIPMENT PURCHASE

4.1. Following the inspection and certification by M/s. TUV India Limited at each stage of fabrication, M/s. KAPL has procured the following process equipment:

- i) 250 KL Fermenters with Agitators (GLATT) 8 No.
(SS-316L Grade with electro-polishing)
- ii) 250 L - 25 KL Fermenters with Agitators 16 No.
(SCIEGENICS)
(SS-316L Grade with electro-polishing)
250 L-6 Nos., 2.5 KL-6 Nos & 25 KL-4 Nos

4.2. Additionally, the following utility equipment has been procured by M/s. KAPL:

- i) Steam Boiler 12 TPH 3 No.
(Make - Forbes Marshall)
- ii) Centrifugal Chillier Unit 700 TR 4 No.
(Make - Blue Star)
- iii) Cooling Towers 2000 & 3500 TR 3 No.
(Make - Advance Cooling Towers)
2,000 TR-2 Nos. & 3,500 TR-1 No.
- iv) Air Compressor 17000 Nm³/Hr 5 No.
(Make - Atlas Copco)

4.3. However, the following downstream equipment have not yet had their orders placed:

- i) Feeding Tanks
- ii) Medium Mixing Vessels
- iii) Harvest Tanks
- iv) Micro Filtration Unit
- v) Permeate Tanks
- vi) Adsorption Columns
- vii) Buffer Tanks
- viii) Elutent Tanks

- ix) Nano Filtration Unit
- x) Pharma equipment like blender, multi-mill, shifter, etc.
- xi) Electrical HT
- xii) Electrical LT
- xiii) DG Sets
- xiv) Pumps and piping
- xv) Process Automation
- xvi) ETP
- xvii) Scrapyard, etc.

5. INTENT

- 5.1. The decision has been made to sell the project that is currently under construction on an "*As is Where is*" basis. Consequently, M/s. KAPL invites interested persons, preferably, PLI applicants, who wish to purchase the plant on an as-is-where-is basis. This invitation for the Expression of Interest is published to enable the M/s. KAPL to ascertain the method of sale for the realization of the company's assets and to identify eligible applicants
- 5.2. Another important condition for submitting a response/EoI is that the Applicant must not have been debarred or restricted by any regulatory authority from making investments.

SECTION-II
TERMS AND QUALIFICATION CRITERIA

6. ELIGIBILITY

6.1. The Applicant must be an Indian-incorporated company, sole proprietorship, partnership, or limited liability partnership. Only one proposal is permitted per Applicant. Should an Applicant submit multiple proposals, any proposals received after the first will be disqualified. The following outlines the minimum requirements for submitting an EoI.

Sl. No.	Requirements	Eligibility requirements	Documents Required
1.	Legal Entity	The Applicant must be a registered sole proprietorship, partnership, LLP, or company in India and should have been operating for the last three years as of 31st March 2024.	A copy of the certificate of registration/ incorporation/ partnership deed, or a trade certificate, regardless of the name it may be known by.
2.	Financial strength	<p>Clause: Definition of Eligible Companies</p> <p>"Eligible Companies" shall mean companies that, either individually or collectively with their Group Companies, have:</p> <p>Obtained an approval from the Government of India, Department of Pharmaceuticals, for participation in the Production Linked Incentive (PLI) Scheme for promotion of domestic manufacturing of critical Key Starting Materials (KSMs) / Drug Intermediates (DIs) / Active Pharmaceutical Ingredients (APIs) in India, dated 29th October 2020; and</p>	<p>Extracts from the audited Balance sheet and Profit & Loss; OR</p> <p>Certificate from the statutory auditor</p>

		<p>Achieved an annual turnover exceeding INR 1,000 crore (INR 10 billion) as of 31st March 2024.</p> <p>For the purposes of this clause, "Group Companies" shall include two or more enterprises which, directly or indirectly, are in a position to:</p> <p>Exercise twenty-six percent (26%) or more of voting rights in another enterprise; or</p> <p>Appoint more than fifty percent (50%) of the members of the board of directors in the other enterprise; as defined by the Foreign Direct Investment (FDI) Policy Circular of 2017.</p>	
3.	Status (Debarment)	The Applicant should not be blacklisted by Central/State Government.	A Self Certificate letter that the Applicant (or any of its successor) is not in the active debarred list/blacklist of any procuring Ministry/ Department/PSU/ Bank

7. COST OF THE EOI

7.1. The Applicant shall bear all costs associated with the preparation and submission of its EoI/response and M/s. KAPL will, in no case, be held responsible or liable for these costs, regardless of the conduct or outcome of the process.

8. DUE DILIGENCE

8.1. The EOI/response shall be considered to have been submitted following a thorough review and analysis of this document, with the understanding that the Applicant has a comprehensive understanding of the project's status.

8.2. The Applicant is encouraged to visit the site to familiarize themselves with the facilities that have been developed in the project thus far. Those interested may visit the property or inspect the property papers at their own expense from 16.11.2024 to 28.11.2024 on working days during working hours. Kindly be advised that photography or duplication of materials will not be permitted during the visit or inspection.

8.3. The Applicant is requested to carefully examine the invitation to EOI documents and the terms and conditions specified therein, and if there appears to be any ambiguity, contradictions, inconsistency, gap and/or discrepancy in the document, the Applicant should seek the necessary clarifications through email as mentioned herein.

9. LANGUAGE

9.1. The EoI/response shall be in English Language.

10. ACCEPTANCE OF TERMS

10.1. The Applicant will be considered to have accepted the terms outlined in this EOI document by responding to it.

SECTION-III

SUMMARY STEPS OF THE APPLICATION PROCESS

11. GUIDELINES FOR FILING APPLICATION

- 11.1. Those interested in acquisition of the project are invited to submit their online EoI/response by filling in the required information by 07/12/ 2024.
- 11.2. The procedure requires Applicants to register on the M/s. KAPL e-procurement portal, for no cost. Applicants are required to register online at www.tenderwizard.com/KAPL →e-Procurement of KAPL. To register as an Applicant, complete the form by providing your information and creating a unique user ID and password. Then, click "Submit."
- 11.3. The following supporting documents should be uploaded by Applicants during the registration procedure, according to the type of organization they represent:
 - a) PAN Card.
 - b) Certificate of Incorporation (for Indian organizations)
 - c) GST Certificate.
 - d) An Address proof is also to be submitted in case of Individuals.
- 11.4. The digital signature of the Applicants on the online form will be regarded as confirmation that they have read and accepted all the conditions outlined in the invitation to EoI documents.
- 11.5. Applicants will receive a system-generated email confirming their registration at the email address provided during the registration process.
- 11.6. After successfully registering, send a request email to purchase@kaplindia.com with the acknowledgement slip to activate your account.
- 11.7. For any further clarification, please reach out to M/s. KAPL prior to the application due date. Details regarding the contact person are provided below.
 1. Project Related
Dealing Officer: a. Mr. N C Mahesh- DGM Project Phone no. 080-23571590/411 E-mail:- hodbulkdrugs@kaplindia.com

Dealing Officer: b..Mr.K L Jala Technical Adviser Phone no. 080-23571590/103 E-mail:- ta2md@kaplindia.com

2. Tender Related

Dealing Officer: Mr. Ramesha- AGM Purchase Phone no. 080-23571590/250 E-mail:- hodpurchase@kaplindia.com

12.EFFECT OF SUBMISSION OF AN EOI

12.1. Submission of an EoI/response on the online platform by any Applicant confirms his acceptance of the terms & conditions for the invitation to EoI.

13.RIGHTS OF M/s. KAPL

13.1. M/s. KAPL reserves the right to accept or reject any or all EoI/response without explanation, request additional information, restrict or remove items mentioned in this document, and extend the submission date for the EoI, without providing reasons or additional information. M/s. KAPL also reserves the right to modify the EoI, Terms & Conditions before the application submission deadline, extend the due date, and cancel the EoI without assigning any reason, and to do so before the application due date.

13.2. The decision of M/s. KAPL will be final.

14.LEGAL RELATIONSHIP

14.1. No legal relationship, apart from what is stated in this document, exists between any of the Applicants and the M/s. KAPL until the KAPL communicates its acceptance.

15.LAW & JURISDICTION

15.1. This EOI and the subsequent document(s) will be governed, construed, and enforced following the laws of India and shall be subject to courts in Karnataka, to the exclusion of all other courts.

16.DISPUTE RESOLUTION

16.1.Any controversies or disputes arising out of or relating to this invitation to EoI shall be resolved by binding arbitration by a sole arbitrator following the then-arbitration rules of the Bangalore International Arbitration Centre [BIAC]. Such arbitration shall be

conducted in Bangalore. The Arbitration and Conciliation Act 1996 or any statutory modification thereof shall apply to the arbitration proceedings.
