

**CLARIFICATIONS TO QUERIES RAISED BY INDIAN COMPANIES**  
**EXPRESSION OF INTEREST- SHORTLISTING OF INDIAN COMPANIES**  
**NUH PROGRAM**

<b><u>Ser</u></b>	<b><u>Query</u></b>	<b><u>Clarification</u></b>
1.	<p><b>Para 2.2(a) of Appendix A</b> asks the applicants to provide supporting documents as necessary including the certificates from appropriate government agencies for establishing credentials related to “Systems of Systems” integration criteria. We would request clarification on which certificates from the appropriate agencies shall be needed.</p>	<p>Supporting documents from the appropriate government agencies necessary for establishing credentials related to “Systems of Systems” integration criteria includes documents evidencing the successful commissioning of the projects as specified in Para 2(a) or 2(b) of Appendix A of REoI-SP.</p> <p>For example, certificate of date of commercial operation issued by the Central Electricity Authority for a power plant, environment clearance issued by Central or State Pollution Control Board, Consent to Establish &amp; Consent to Operate as per Water Act, 1974 and Air Act, 1981 from the respective State Pollution Control Board etc.</p>
2.	<p><b>Para 3.1 of Appendix A</b> states that the applicant company may rely on Group Companies for meeting the “<b>Aerospace Capability Criteria</b>”. However, the text in Para 3.1 uses the word “company” instead of “companies”. We request correction to the text or a formal clarification for the same.</p>	<p>Para 3.1 of REoI for shortlisting of potential SPs is amended as follows:-</p> <p>“ In the event the Applicant Company is unable to meet the 'Aerospace Capability Criteria' mentioned above, the Applicant Company may rely upon its <b>Group Company(ies)</b>’ experience. <i>The Group Company whose experience and expertise is considered shall execute a deed of adherence and confirmation cum undertaking, providing the SP and SPV an irrevocable right to access, enter upon and use the facilities of the Group Company for the duration of the Project, subject to the applicable laws. An agreement evidencing this right would be required to be submitted at RFP stage.</i>”</p>
3.	<p>Can a subsidiary of an Indian company with 49 % FDI submit response as an applicant company? (Such an applicant company will meet</p>	<p>(a) Reference is drawn to paragraph 2 of REoI-SP which defines “Applicant Company” as a company incorporated and registered under</p>

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	<p>all MQC as stipulated in the REoI). If Yes, then a SPV with foreign OEM can be the applicant company.</p>	<p>the Companies Act, which are Owned and Controlled by resident Indian citizens provided that the Applicant Company:</p> <p>(i) Should be a Private Sector Company; and</p> <p>(ii) The ownership structure and management of the Applicant Company should be in compliance with the provisions of Para 11 and 12 read with Appendix A to Chapter VII of DPP 16.</p> <p>(b) With the information provided by the prospective applicant company i.e. <i>“Can a subsidiary of an Indian company with 49 % FDI submit response as an applicant company?”</i>, it appears that the prospective applicant company is a Private Sector company which is registered under the Companies Act.</p> <p>(c) It may be noted that compliance to paragraph 11 and 12 of Chapter VII of DPP-2016 also entails compliance with no pyramiding of FDI.</p>
4.	<p>From when is the shareholding frozen and needs approval of MOD? Can shareholding change from 100 % Indian to 51 % Indian, after answering REoI but before issue of RFP?</p>	<p>(a) Freezing of Shareholding shall be prescribed at the RFP stage.</p> <p>(b) Till such a stage the Applicant Company needs to continue fulfilling the requirements of paragraph 11 and 12 of Chapter VII of the DPP.</p> <p>(c) The Applicant Company’s credentials will be assessed both at the EoI and the RFP stage.</p> <p>(d) However, subject to the provisions of REoI, this leeway may be granted with a few restrictions like –</p> <p>(i) No cross investment between two applicant companies to be permitted.</p>

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		(ii) No change in the relationship between the Applicant Company with its holding company or Group Company to be permitted.
5.	The Applicant Company could set up a SPV as envisaged in Para 17 of the EOI including immediately after shortlisting. Can such an SPV, which will be a subsidiary of the shortlisted Indian applicant company respond to the RFP on behalf of the applicant company?	Only the shortlisted Applicant Company can submit response to the RFP.
6.	<b>Para 11 of Appendix A.</b> Shareholding pattern is sought as on the date of submission. As M&M is a listed company, BSE/SEBI will only indicate quarterly shareholding as on 31 Dec 2018. The next shareholding pattern released will be as on 31 Mar 2019, but is unlikely to be available on the last date of submission of response to REoI. Can we indicate share-holding as on 31 Dec 2018? No major change is expected and Indian ownership will be more than 51%.	The Certificate from Statutory Auditor regarding Shareholding Pattern may mention the shareholding based on the latest Shareholding pattern as approved by SEBI and on the basis of management representation. In case the shareholding pattern as on 31 Mar 19 is not available, the last issued certificate may be submitted. However, if the shareholding pattern of 31 Mar 19, as approved by SEBI, is available during on site verification by EPC, the same can be submitted to EPC.
7.	<b>Para 2. System of Systems.</b> Will a project meet the criteria of para 2(a) of Appendix A if it has been commissioned during last 10 years, although some part of the commissioning activity such as land acquisition for the same was started earlier than 10 years?	Yes, REoI is clear on the issue.
8.	<b>Appendix A Para 2 (b).</b>  (a) Please confirm that a contract signed prior to Mar 2015 will meet the criteria provided delivery of at least one system under such contract was done post Mar 2015.  (b) Please confirm that any of the systems listed in Sr. No. (i) to (xi) of qualification criteria under para 3(a) of	(a) Yes, REoI is explicitly clear on this aspect.  (b) There is no link between Para 2 (b) and Para 3(a). These need to be read as indicated in REoI.

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	<p>Appendix A will qualify for the purpose of para 2(b) of the said Appendix.</p> <p>(c) Group company has a project MAFI (Modernisation of Air field Infrastructure) wherein the group company integrated various complex systems (such as instrument landing system, tactical air navigation system, complex ranging System, Aircrafts Visual Range System, and other military grade electronic systems) to create a system of systems project for the air force and hence we believe, it qualifies as System of Systems. Please kindly confirm.</p>	<p>(c) REoI is explicitly clear on the domains to be considered for 'system of systems'.</p>
9.	<p><b><u>Para 2.1 - Reliance on Group Companies for Meeting Technical Gate.</u></b></p> <p>(a) It is suggested that the requirement of Group Company having to meet provisions of para 11 and 12 read with Appendix A to Chapter VII of DPP 16 with regard to ownership structure and management be deleted in view of the same having already been defined in the definition of Group Company in the glossary of REoI.</p> <p>(b) <b><u>Technical Gate:</u></b> The obligation / commitments of Group Company may be permitted to automatically pass on to the SP once the SP achieves the requirements of the technical gates during the duration of the Project. In such case Group Company may be discharged from its obligations.</p>	<p>(a) Clause retained.</p> <p>(b) Will be addressed in RFP.</p>
10.	<p><b><u>Appendix A Para 3.1. Reliance on Group Companies for Meeting Aerospace Capability.</u></b> Would you allow the Applicant Company to meet all eligibility criteria at the time of RFP stage on its own, similar to the flexibility given in this respect as</p>	<p>Will be addressed in RFP.</p>

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	regards Financial Gate under clause 8(a) of Appendix A.	
11.	<p>(a) <b>Appendix A Para 8 (a).</b> Will Applicant Company be entitled to rely on its consolidated financials as of the latest financial year for which audited financials are available as on RFP date, since assuming that the RFP is issued in third quarter of 2019, the audited financials for FY18-19 may also be available for certification?</p> <p>(b) In addition, will Applicant Company be permitted to rely on its consolidated revenue for preceding four quarters and its net worth as on preceding quarter end (as certified by the statutory auditor), at the time of RFP response submission to satisfy the financial gates.</p>	<p>(a) In case the Applicant Company has placed reliance on its Holding Company for clearing the Financial Gate criteria and is shortlisted after submission of EoI, then it may at RFP stage opt to fulfil the Financial Gate criteria on its own. The three financial years for such purpose will be notified in the RFP.</p> <p>(b) Will be addressed in RFP.</p>
12.	Please confirm if Para 12 of Appendix A referred in para 2 of Appendix K is correct?	<p>It is clarified that reference is drawn to paragraph 13 of Appendix A which mentions:</p> <p><i>“The restrictions on FDI as prescribed for the Applicant Company as a Strategic Partner will also be applicable to the Holding / Group Company when such Holding / Group Company’s credentials are being used for qualification through any technical/ financial/ segment specific criteria.”</i></p>
13.	<b>Appendix A Para 13 - FDI Norms ‘System by System’ Support:</b> It is suggested that the applicant company and group company be governed by the FDI norms applicable to them respectively.	<p>(a) Restrictions on FDI shall be in accordance with paragraph 12 of Chapter VII of the DPP for Applicant Company as well as Group Companies at EoI stage.</p> <p>(b) <b>FDI norms for RFP will be addressed in RFP.</b></p>
14.	(a) <b>Financial Gate:</b> The financial obligation / commitments of Holding Company may be permitted to automatically pass on to the SP once the SP achieves the requirements of the financial gates during the duration of the Project. In such case holding	(a) Will be addressed in the RFP.

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	<p>company may be discharged from its obligations.</p> <p>(b) <b>Definition of Project:</b> Currently the "project" definition includes Maintenance Support period. Maintenance may extend beyond the delivery of units and their respective warranty durations. Request the maintenance period be excluded from the definition of Project for the purpose of this clause.</p>	<p>(b) The Project will be defined as per the scope of the RFP and finally the Contract.</p>
15.	<p><b>Para 5 (f).</b> For the certification center, is the Indian Navy's objective that this Centre act as the Airworthiness Centre authorised by the OEM to perform OEM like certifications in subsequent modifications and upgrades?</p>	<p>Will be addressed in the RFP.</p>
16.	<p>(a) <b>Para 5(f).</b> In order to expedite certification by CEMILAC would the competent authority kindly consider that CEMILAC be required to take Designated Engineering Representatives (DERs) who are professionals appropriately certified by foreign certifying agencies. CEMILAC should be able to nominate such DERs towards expediting certification as may be required by the OEM / SP towards this program. Would this be acceptable to MoD / Indian Navy?</p> <p>(b) <b>Para 7 (a), (b) and 10 (c).</b> Who (OEM or CEMILAC) will be the approving authority for the following:</p> <p>(i) Buy Units.</p> <p>(ii) Make Units.</p> <p>(iii) Upgrades of the Basic unit to Fully Configured Units?</p> <p>(iv) Subsequent major minor modifications and variants / upgrades?</p>	<p>(a) The MoD expects certified NUHs to be delivered to <b>IN</b>. Flexibility will be provided to the OEM/ SP on the procedural aspects.</p> <p>(b) Issue is related to execution of contract. SP will be responsible for execution of the entire contract. Roadmap for certification of helicopters have been sought from OEMs.</p>

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17.	<p>(a) What is the distribution of legal liability between the SP and the OEM as regards certification of all changes/modifications going forward?</p> <p>(b) Towards certification, there may be a mix of foreign and Indian (both CEMILAC and the established R&amp;D Centre) that together causes certification. Is this acceptable?</p>	<p>(a) Will be clarified in RFP. This matter is between SP and OEM to be decided mutually by them. MoD has no role to play in this.</p> <p>(b) SP and OEM may decide on the modalities of certification.</p>
18.	<p>(a) <b><u>Incentivisation.</u></b> Is there any incentivisation associated with exclusivity of the military production line of the proposed platform in India? Would there be extra incentive if this becomes global exclusive line that includes both military and civil?</p> <p>(b) <b><u>Para 4.</u></b> Can the quantity of deliverables under "Buy" reduced and "Make" increased while maintaining the delivery timelines. And any associated Incentivisation and will it change the calculation of the IC content?</p> <p>(c) <b><u>Para 11.</u></b> Is early delivery acceptable? Is it incentivised?</p>	<p>(a) This has been clarified in the REoI of OEMs and have been shared with Indian companies.</p> <p>(b) Delivery schedule will be indicated in the RFP. Area of incentivisaion will be as per REoI for shortlisting of OEMs.</p> <p>(c) As indicated above.</p>
19.	<p>(a) Will Notification No.5901 1/8/20 15-D(HAL-ID), GoI dated 29th June 2018 be applicable?</p> <p>(b) Will the IC content be calculated only on the 95 Platforms that comprise 'make' in the Buy and Make programme?</p> <p>(c) Will the IC content calculation also include IC content on the following items:</p> <p>(i) Spare engines mentioned in Para 11.</p> <p>(ii) Weapon Systems like Gun (except Torpedoes).</p>	<p>(a) The notification is not in relation to this project. Letter relevant only to DPSU/OFB and no relevance for calculation of IC</p> <p>(b) As indicated in the REoIs for OEM.</p> <p>(c) Entire 'Make' component of the contract other than BNE and torpedoes will be considered for IC content calculation. Integration will be part of IC calculation. MRO will not form part of the contract and hence will not be considered towards IC.</p>

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	<p>(iii) BNE and effort to integrate on the Platform.</p> <p>(iv) MRO services.</p> <p>(d) Should the SP supply IC for the 'Buy' portion of the Buy &amp; Make programme, will the same be calculated towards the overall required IC content for the overall programme?</p> <p>(e) In case Indian Navy decides to procure torpedoes different from the make and model identified by SP/OEM during the acquisition process, in such case will the Interface Connect Documents (ICD) be shared by Indian Navy with the SP / OEM / SPV for integration with the platform.</p>	<p>(d) IC for 'Buy' portion will not be considered for IC. The same has been indicated in EoI for shortlisting of OEMs.</p> <p>(e) <b>IN</b> will procure torpedoes as per the recommendation of SP/OEM. If subsequently <b>IN</b> decides to buy Torpedo from any other vendor, then MoD shall provide the ICD.</p>
20.	<p><b><u>Reference RFI</u></b></p> <p>(a) Will determination of L1 be based on life cycle cost or initial acquisition cost?</p> <p>(b) What is the definition of Life Cycle Cost versus Initial acquisition cost?</p> <p>(c) What is excluded from L1 calculation (eg. Are weapons excluded)?</p>	<p>(a) The L1 will be determined on the basis of price quoted for various items as specified in the RFP.</p> <p>(b) Life cycle cost is not relevant to the project.</p> <p>(c) The evaluation criteria and price bid format will be elaborated in the RFP.</p>
21.	<p><b><u>Buyer Nominated Equipment</u></b></p> <p>(a) Will BNE be part of L1 Calculations?</p> <p>(b) Since the BNE will be sourced from identified Companies, how will it be ensured that the Identified BNE Company maintains a level playing field in terms of the following for all the potential bidders to the RFP:-</p> <p>- Same price and T&amp;C between potential bidders.</p>	<p>(a) BNE will not be part of L1 calculation. However, its integration cost be considered for L1.</p> <p>(b) Since BNE will not be part of L1, this issue will not be applicable. RFP will address these aspects.</p>



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	<p>- Similar Maintenance and Support Cost.</p> <p>- How will BNE Company address the issue if Cost of integration of BNE equipment is more expensive for certain platforms?</p> <p>(c) In cases where BNEs are not meeting the performance requirements, will SP be responsible?</p>	<p>(c) OEMs of BNE will be responsible along with platform integrator (SP/ OEM) for performance.</p>
22.	<p>Will establishing the R&amp;D Center be part of L1 calculation?</p> <p>If yes, since the objective of the R&amp;D centre is wide, it is requested the objectives / scope / deliverables of the R&amp;D center are defined in details.</p> <p><b>Suggestion:</b> Adequacy clause be considered for R&amp;D Center.</p>	RFP will address these aspects.
23.	<p>Request to share the major contractual aspects of the Program those which would be covered in/ by the multiple contracts which MoD plans to enter / execute for this Program. Specifically, please clarify the following:-</p> <p>(i) Obligations in the MoD-SP contract. For example, SP should be responsible for the BTP-Production and BTP-Maintenance work and for only those design changes that the SP undertakes towards future variants as part of the required Design Centre.</p> <p>(ii) Obligations in the MoD-OEM contract. For Example, the MoD must hold the OEM responsible (via an MoD-OEM direct contract) that makes the OEM accountable for all outcomes deriving from it being the Design Authority of the platform.</p>	This will be detailed at the RFP stage.

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	(iii) Obligations from MoD to SP that require these to be flown- down from SP to OEM.	
24.	Request to elaborate on the role of SP vs SPV.	Will be specified in the RFP.
25.	Is "Buy" through a contract between the IMod and the OEM or the SP buys ready helicopters from OEM and delivers to MoD?	Will be specified in the RFP.
26.	FET is an important aspect for the project, a formal mechanism may be evolved such that the finalization of the FET Trial Directive has inputs and suggestions of SPs.	FET methodology will be part of RFP, therefore it would concern only shortlisted Applicant Companies.  Comments and suggestions from such companies, if considered appropriate, may be invited at such stage.
27.	It is suggested the Integrity pact for SP should be co-signed by the OEM.	Will be addressed in the RFP.
28.	To be clarified whether reference to change of address, is only reference to change in registered office address and it is permissible for the applicant company to merely intimate change of contact address / branch / liaison (which are to be filled in para 2 and 3), since change in other offices does not require any regulatory approval save for licences under local shops and establishments regulations.	Bidder to intimate change in both the Registered address and/or Contact Address with supporting documents as applicable.
29.	Kindly clarify as to the criteria to be used to indicate whether the applicant company is large, medium or small scale undertaking. Considering the maximum financial thresholds prescribed for MSMEs under law, this distinction appears to be not of relevant for subject program considering the financial thresholds required to meet MQC.	The criteria are as provided under MSME Act.
30.	While setting up of Research and Development (R&D) facility is in the scope of Indian SP as per this EOI document, there is no mentioning about setting up testing facility and certification centres by Indian SP in this EOI. Kindly Confirm whether the same is in the scope of Indian SP.	R&D and Skilling roadmap is under the scope of the Indian SP. However, further details shall be indicated at RFP stage.

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31.	MOD to kindly clarify whether Gun & Torpedoes will be a Free Issue equipment or it's a part of Indian SP Scope for the NUH Program. MOD to also confirm whether the Indian SP and OEM will be able to propose a Torpedo & Guns OEM of their choice.	<p>MoD will not provide any equipment. Gun will be part of each helicopter and needs to be procured by SP/OEM.</p> <p>With regard to the Torpedo, Indian SP along with OEM is to specify the torpedo along with its systems that would be suitable for the NUH platform. Contract of torpedoes will be separately signed with the torpedo OEM/ relevant government agency by MoD. However, for subsequent acquisition of torpedoes, if Indian torpedo is available, OEM would require its integration onto NUH. All data required for same will be provided by DRDO/ production agency.</p>
32.	We understand while setting up of MRO facility for 'D' level maintenance is in the scope of Indian SP, the facilities for 'O' and 'I' level maintenance will be set up by MOD jointly with the FOEM. Kindly confirm.	<p>'O' and 'I' level needs to be provided to Indian Navy technicians by OEM /SP. 'D' level for shore establishment will be with SP.</p> <p>However, the technicians of SP should be trained for all types of maintenance such as to provide training to <b>IN</b> technicians post 'Buy' phase.</p>
33.	MOD to kindly clarify if the Certificate from the statutory Auditor on "Value of Equipment "to be provided as per Appendix E is with respect to Appendix A, Clause 2, Point b? (i.e. as there is no relevance to Value of equipment delivered to be established as per Appendix A.	The point is noted. The statutory auditor shall also be required to certify the value of the contract and delivery of the system.