

REQUEST FOR EXPRESSION OF INTEREST (REOI)
FOR
SHORTLISTING OF INDIAN STRATEGIC PARTNERS (SP)

FOR CONSTRUCTION OF SIX CONVENTIONAL SUBMARINES
PROJECT 75(I) UNDER THE STRATEGIC PARTNERSHIP MODEL

MINISTRY OF DEFENCE
GOVERNMENT OF INDIA

(Total – 42 pages only)



GLOSSARY

Applicant Company(s)	As defined at Paragraph 2 of this REOI.
Applicant OEM(s)	Shall mean original equipment manufacturers/ export agencies (authorized/ sponsored by the foreign governments, applicable in the case of countries where the extant domestic laws do not permit direct export by the original equipment manufacturers) of submarines, who have responded to the REOI issued for shortlisting of OEMs.
Business Day(s)	Shall mean a day (other than a Saturday or Sunday or a national holiday) on which Gol offices in New Delhi are operating.
Companies Act	Shall mean the Companies Act, 2013 or the Companies Act, 1956 (as the case may be), as amended or modified from time to time.
Control	As defined at Paragraph 11 and 12 of Chapter VII of DPP read with Paragraph 1 and 2 of Appendix A to Chapter VII.
DPP	Defence Procurement Procedure issued by MoD – Gol.
Eoi	Shall mean the response to this REOI submitted by Applicant Companies to MoD in the form and manner set out hereunder.
Gol	Government of India



Group Company or group	<p>Shall mean the Applicant Company's holding company, subsidiary company, promoter or a body corporate that is under the same management as that of the Applicant Company. For the purposes of definition:</p> <p>(i) The expressions "holding company", "subsidiary company" and "promoter" shall have the same meaning as specified in the Companies Act as on the date of this REoI</p> <p>(ii) A body corporate shall be deemed to be under the 'same management' as that of the Applicant Company if not less than 26% (twenty six percent) of the aggregate issued, subscribed and paid up equity share capital in such body corporate and the Applicant Company respectively, is owned directly or indirectly, by the same entity (individual or body corporate or combination thereof), with no other entity holding an equal or greater percentage of the aggregate issued, subscribed and paid up equity share capital.</p>
MoD	Ministry of Defence
MQC	Minimum Qualifying Criteria
OEM	Shall mean the [foreign] original equipment manufacturer selected by MoD pursuant to the RFP stage.
Owned	As defined in paragraph 11 and 12 of Chapter VII of DPP read with paragraph 1 and 2 of Appendix A to Chapter VII



Private Sector Company	A company which is not a Government Company as defined under the Companies Act.
Project	Project 75(I) submarines procurement as defined in paragraph 3 of this REoI.
PSR	Preliminary Staff Requirements
R&D	Research and Development
REoI	Shall mean this request for expression of interest issued by MoD to the Applicant Companies.
RFP	Shall mean request for proposal to be issued by MoD.
Shortlisted Applicant Company(s)	As defined in paragraph 3.
Shortlisted OEM(s)	As defined in paragraph 5.
SP	Shall means the Strategic Partner selected by MoD pursuant to RFP stage.
Submarine	Shall refer to Project 75(I) submarine.



INTERPRETATION

In this REOI, unless the context otherwise requires,

- (a) References to any legislation or any provision thereof shall include reference to any amendment or re-enactment or consolidation of such legislation or any provision thereof so far as such amendment or re-enactment or consolidation applies or is capable of being applied to any transaction entered into pursuant to and in terms of this REOI;
- (b) References to laws of India or Indian law or regulation having the force of law shall include the laws, acts, ordinances, rules, regulations, bye laws or notifications which have the force of law in the territory of India and as from time to time may be amended, modified, supplemented, extended or re-enacted;
- (c) The table of contents, headings or sub-headings in this REOI are for convenience of reference only and shall not be used in, and shall not affect, the construction or interpretation of this REOI;
- (d) The words importing singular shall include plural and vice versa; and
- (e) The Appendices to this REOI form an integral part of this REOI and will be in full force and effect as though they were expressly set out in the body of this REOI.



**REQUEST FOR EXPRESSION OF INTEREST (REoI) FOR SHORTLISTING OF
INDIAN STRATEGIC PARTNERS (SP) FOR PROJECT 75(I) SUBMARINES
UNDER THE STRATEGIC PARTNERSHIP MODEL**

1. **Introduction.** The Ministry of Defence (MoD), Government of India (GoI), intends to procure 6 (six) modern conventional submarines under Project 75 (I) along with transfer of technology (ToT), associated shore support, engineering support package (ESP), training and training aggregates, documentation, spares package, contemporary state of the art equipment, weapons and sensors, performance based logistics (PBL) through Strategic Partnership Model as stipulated in Chapter VII of Defence Procurement Procedure, 2016 (DPP 16) as amended from time to time. The submarines are to be built at an Indian shipyard based on the design provided by the original equipment manufacturer (OEM) to the SPV/ Indian Naval Design Bureau.

2. **Expression of Interest (EoI).** The MoD, GoI seeks expression of interest (EoI) as response to this REoI from the companies incorporated and registered under the Companies Act, which are Owned and Controlled by resident Indian citizens (hereinafter referred to as **Applicant Company(s)**). Provided that the Applicant Company:

(a) Should be a private Sector Company or a Defence Public Sector Undertaking (DPSU); and

(b) The ownership structure and management of the Applicant Company should be in compliance with the provisions of Paragraph 11 and 12 read with Appendix A to Chapter VII of DPP 16. The ownership structure for DPSUs would be in accordance with GoI/MoD relevant orders as amended from time to time.

3. **Purpose of REoI.** The purpose of this REoI is to shortlist from the Applicant Companies, one or more companies {hereinafter referred to as **Shortlisted Applicant Company(s)**} to participate in the bidding process for selection of SP for *inter-alia* manufacturing project 75(I) submarines in India along with its maintenance support (**Project**).



4. All 6 (six) submarines proposed to be acquired under the Project are envisaged to be built in India by the SP in collaboration with the OEM. The submarines under the Project would be delivered as per plan elaborated in the RFP.

5. **OEM.** The Shortlisted Applicant Companies will have to tie up with one of the shortlisted original equipment manufacturers {hereinafter referred to as **Shortlisted OEM(s)**} for manufacturing of Submarines, ToT, assistance in training and other support as may be required for successful completion of the Project. The shortlisting of OEMs out of the pool of Applicant OEMs (subject to compliance of PSRs and other factors) shall be carried out through a separate process and shall *inter-alia* take into consideration the following factors:

- (a) Range, depth and scope of ToT offered in identified areas.
- (b) Extent of indigenous content proposed.
- (c) Extent of eco-system of Indian vendors/ manufactures proposed.
- (d) Measures to support SP in establishing system for integration of platforms, indigenization efforts, ToT, implementation and life cycle support or PBL/ Maintenance Transfer of Technology/ maintenance aspects.
- (e) Plans to train skilled manpower.
- (f) Requisite assistance in setting up of testing facility, certification centres and Research & Development (**R&D**) facility in India.

6. **REol Structure.** This REol consists of 2 (two) parts as indicated below:-

- (a) **Part I** The first part of the REol sets out the Minimum Qualification Criteria (**MQC**), indigenisation roadmap and other requirements for responding to REol etc.
- (b) **Part II** The second part of REol sets out the methodology of seeking Eol.



PART I

7. **End User.** The end user of the Submarines and associated equipment is the Indian Navy.

8. **Field Evaluation Trials (FET).** The FET will not be conducted for entire platform. The FET of relevant equipment will be conducted in accordance with Chapter II, VII of DPP 16 and procedure elaborated in RFP on no cost no commitment basis.

9. **Acceptance by Applicant Companies.** The Applicant Companies shall indicate general agreement to the following clauses in the EoI (exact framework will be elaborated in the RFP):-

- (a) The execution of requisite contracts between MoD, SP, OEM and SPV as specified by the MoD at the RFP stage;
- (b) The contract(s) between the SP and OEM shall be negotiated between them, however, these contract(s) shall include a contractual provision to be specified by the MoD at the RFP stage, conferring rights in favour of the MoD to step in and enforce the Project in certain eventualities;
- (c) SP shall be responsible through OEM for certification and quality assurance of the Submarines supplied to MoD;
- (d) SP will also confirm repair, maintenance, PBL and life cycle support for Submarines along with OEM; and
- (e) The compliance of conditions of DPP 16, including Chapter VII and such other contractual provisions as finalized at the RFP stage.



10. **Delivery Schedule.** The first delivery of the submarine is envisaged to be not later than 8 years from the signing of Contract. The delivery of subsequent submarines is envisaged to be at a gap of not more than 12/15 months. Applicant SP may provide inputs regarding the same.

11. **Expectations from OEM towards R&D.** The Applicant Companies are to propose its methodology, plan and expectations from the OEMs for augmentation/ setting up of the envisaged R&D centre with Indian Navy and SP.

12. **Minimum Qualifying Criteria.** Based on the EoI, Applicant Companies will be evaluated on the basis of MQC comprising of technical and financial aspects. The MQC for participation in Project is elaborately mentioned in **Appendix 'A'**.

13. **Indigenisation Roadmap.** As a part of RFP response, the Shortlisted Applicant Companies will be required to present a roadmap for indigenization content for the Project:-

(a) **Indigenisation Content Requirements.** The indigenization content for the Project is to be minimum 45% (forty five per cent) on cost (as per commercial bid) basis and not less than 60% (sixty percent) on cost basis in the last submarine of the Project.

(b) **Eco-system of Domestic Manufacturers.** SP and or SPV and or any other entity inter alia as specified in the RFP shall develop tiered industries by entering into teaming agreements and development partnerships with other industries, including micro, small and medium enterprises, DPSUs, OF, other public sector undertakings, Defence Research and Development Organisation (DRDO) and foreign companies that are part of the global supply chain, so that an eco-system of domestic manufacturers in the Indian defence sector is developed, including for spares and capacities for repair and maintenance of Project.



(c) **R & D and Skilling Roadmap.** SP and or SPV and or any other entity inter alia as specified in the RFP, shall, establish/ augment a design centre with Indian Navy and SP, with suitable expertise and infrastructure. The broad contours of such initiative have to be elucidated in the roadmap. The aim of the detailed plan shall be to use R&D facility for undertaking minor/ major modifications on Submarines and for all future variants/ upgrades on the Submarines as also for sharing good practices across other design/development/manufacturing centres being used by the OEM.

14. **Integrity Pact.** As a part of the RFP response, the Shortlisted Applicant Companies shall provide an appropriate Integrity Pact Bank Guarantee during the bid submission, in accordance with Annexure I to Appendix M of Schedule I of Chapter II of DPP 16.

15. **Special Purpose Vehicle.** It is intended that the Project is implemented through an SPV to be incorporated by the SP. Detailed contractual structure will be shared at the RFP stage. OEM may also contribute in the shareholding of the SPV, subject to the extant FDI norms and other conditions as described in Appendix A of Chapter VII of DPP 16. Any change in the shareholding of the SPV during the Project, shall be subject to the conditions and restrictions to be specified in the RFP. Applicant Companies are to furnish their views, comments and recommendations on the setting up of SPV.

16. **Title & Risk.** It is intended to incorporate a Title & Risk clause in the RFP to safeguard the interests of MoD. The detailed structure of the clause will be laid down in the RFP. Applicant Companies are invited to furnish their views, comments and recommendations on the same.

17. **Submarine Overseeing Teem (SOT).** A SOT, Naval Project Office (Submarine) would be formed at SP's premises to monitor the program and to ensure compliance of Indian Navy requirements during the production of Submarines. Details will be included in RFP.



18. **Audit.** Besides examination of periodic audited financial reports, MoD shall have the right to conduct special audits of all certifications and costs including indigenous content, ToT, R&D and skill development aspects relevant to the Project at every or any stages (tiers) of manufacturing/ production/ assembly.

PART II

19. **Interaction with Applicant Company.** An interaction with Applicant Companies will be held at 1030h on 24 Jul 19 at MoD that have acknowledged the REol, to answer any queries or clarify doubts regarding submission of Eol. The queries likely to be asked during the interaction may be forwarded to Directorate of Submarine Acquisition at dsmaq@navy.gov.in by 10 Jul 19 in soft copy (editable) prior to the interaction with Applicant Company mentioned above. The authorized representative of Applicant Company is requested to attend the interaction meeting. The necessary details of personnel attending the interaction should be forwarded to Directorate of Submarine Acquisition at least seven (07) Business Days before the interaction along with an 'Acknowledgement of receipt of REol' (signed by the authorized signatory) in the form and manner set out in **Appendix 'D'** to facilitate obtaining of security clearance.

20. **Sharing REol for shortlisting OEMs with Applicant Companies.** The REol issued for shortlisting of OEMs (without certain technical details) will be shared with Applicant Companies during the interaction phase mentioned above.

21. **Submission of Eol.**

(a) The Applicant Companies as part of the Eol shall submit the requisite information in the form and in the manner set out hereto. MoD may seek further information/ clarifications for evaluating the Eol

(b) The Eol shall be typed and signed by the authorized signatory of the Applicant Company who shall also initial each page in blue ink. All the alterations, omissions, additions or any other amendments made to the Eol



shall be initialed by the person(s) signing the EoI. MoD will evaluate only those EoIs that are received in the required formats and are complete in all aspects. Submission of incomplete EoI will render the Applicant Company liable for rejection.

(c) The Applicant Company shall submit the EoI in the formats specified under this REoI, and seal it in an envelope and mark the envelope as “EoI for Submarines”. The EoI shall include:

- (i) Information Proforma – **Appendix B.**
- (ii) Affidavit – **Appendix C.**
- (iii) Certificate from the statutory auditor regarding capital expenditure and value of the equipment – **Appendix E.**
- (iv) Undertaking regarding provisioning of System of Systems Integration criteria – **Appendix F.**
- (v) Undertaking regarding deed of adherence for meeting Submarine Segment Capability Criteria – **Appendix G.**
- (vi) Certificate from the statutory auditor regarding consolidated revenue and net worth - **Appendix H.**
- (vii) Undertaking for Financial Gate – **Appendix J.**
- (viii) Certificate from the statutory auditor regarding shareholding pattern – **Appendix K.**
- (ix) Expectations from OEM for setting up of R&D facility – **Appendix L.**
- (x) Comments and recommendations on the setting up of SPV and Title & Risk Clause – **Appendix M.**



(xi) Undertaking for Change of Address – **Appendix N.**

Note 1: - If the envelope is not sealed and marked as instructed above, MoD assumes no responsibility for the misplacement or premature opening of the contents of the EoI submitted. EoI shall be delivered by hand including courier services at the address, as mentioned under sub-clause (c), above. The MoD will, on request, provide the Applicant Company with acknowledgement of receipt showing the date and time when its EoI was received. EoIs submitted by fax, telex, telegram or e-mail shall not be entertained and shall be rejected.

Note 2: - Bids submitted in Appendix formats other than as prescribed in Appendix C, E, F, G, H, J and N will be liable for rejection.

(d) Affidavit from Applicant Company. The EoI should be accompanied by an affidavit testifying to the truth and accuracy of the information supplied. The Applicant Companies shall provide the aforesaid 'Affidavit' in the form and manner set out in **Appendix 'C'**.

(e) The EoI shall be placed in hard binding and the pages shall be numbered serially.

(f) 1 (one) additional hard copy and 2 (two) soft copies in CD/DVD along with compliance tables in editable Microsoft Excel format shall be placed in a separate envelope and be marked as "COPIES OF DOCUMENTS FOR SUBMARINE PROJECT".

(g) The envelopes specified in sub-paragraphs (b) and (d) above, shall be placed in an outer envelope, which shall be sealed. Each of the envelopes shall clearly bear the following identification:



“EOI FOR THE SUBMARINE PROJECT IN INDIA” and shall clearly indicate the name and address of the Applicant Company. In addition, the last date for submission of the Eoi should be indicated on the right hand top corner of each of the envelopes.

(h) **Delivery Address.** The Eoi should be delivered at the following address:-

Technical Manager (Maritime & Systems)
Ministry of Defence, Acquisition Wing
Room No 3, D II Wing, Ground Floor, Sena Bhavan
New Delhi 110011
Fax No:- +91-11-2301 7684
Contact Details: 011 23011540

(i) **Date for Response.** The last date of receipt of Eoi is 21 Aug 19 by 1200 Hr.

22. **Date of Opening of Eoi(s).** Opening of Response. The Eoi(s) will be opened at 1500h on 21 Aug 19 at the same venue as indicated at Paragraph 21 (h) above. The vendor or his authorized representative is welcome to be present at the opening of the Eoi(s). Necessary detail may be sent a week in advance to facilitate obtaining of security clearance.

23. **Verification.** The Applicant Companies shall indicate the earliest date for on-site verification of the information provided in Eoi. The date indicated shall be within 30 (thirty) days from the date of submission of Eoi.

24. **Notification about Shortlisting of SPs.** The Applicant Companies shall be notified about the shortlisting/ non shortlisting as potential SPs post 2nd Stage DAC.

25. **Issue of RFP.** The likely timeline for issue of RFP is fourth quarter of the year 2019.



26. **List of Shortlisted OEMs.** The list of Shortlisted OEMs shall be annexed to the RFP issued to shortlisted Applicant Company, so that the Shortlisted Applicant Company(s) can freely engage with such OEMs and finalise their techno-commercial offer in agreement with any of these OEMs. 1 (one) shortlisted Applicant Company can engage with any or all OEMs, but can finally submit only 1 (one) offer in agreement with any 1 (one) of the OEMs.

27. **Due Diligence.** It must be noted that though MoD will be shortlisting the OEMs, however, Shortlisted Applicant Companies shall be solely responsible for their own due diligence of the Shortlisted OEMs with respect to the OEM's capabilities and willingness to meet its obligations in accordance with the Project requirements. Accordingly, the MoD shall not be liable for the failure or default of the OEM to fulfill its obligations to the SP. SP may address these issues appropriately in the contracts between SP and the OEM.

28. **Disclaimer.** This REoI is neither an agreement and nor an offer by the MoD to the prospective Applicant Companies or any other person. The purpose of this REoI is to provide interested parties with information that may be useful to them in expressing their interest pursuant to this REoI. This REoI includes statements, which reflect various assumptions and assessments arrived at by the MoD in relation to the Project. This REoI document and any assumptions, assessments and statements made herein do not purport to contain all the information that each Applicant Company may require. The MoD may in its absolute discretion, but without being under any obligation to do so, update, amend or supplement the information, assessment or assumptions contained in this REoI. The Applicant Company shall bear all its costs associated with or relating to the preparation and submission of EoI. The issuance of this REoI does not imply that the MoD is bound to shortlist an Applicant Company for the Project and the MoD reserves the right to reject all or any of the EoIs without assigning any reason whatsoever.



Appendix A
(Refers to Para 12 of REol)

MINIMUM QUALIFYING CRITERIA – SUBMARINE PROJECT

1. The Applicant Company should satisfy each of the following MQC i.e. Technical Gate (System of Systems), Financial Gate, Submarine Specific Gate and other conditions as on the date of submission of Eol.

Technical Gate

2. **System of Systems.** The Applicant Company shall have demonstrated the technical capability of integration of “System of Systems”, which refers to any system with multiple technologies of major systems like shipbuilding (i.e. ships and crafts/submarine), aeroplanes, helicopters, piloted aircraft, spacecrafts, chemical plants, power plants, steel plants and automobiles manufacturing plants. To establish the same, the Applicant Company should have:

(a) Successfully commissioned at least one (01) project in manufacturing of aeroplanes/ helicopters/ piloted aircraft/ spacecrafts/ offshore production platforms / power plant/ chemical plant/ steel plant/ automobile manufacturing plant, during the last 10 (ten) years with a capital expenditure of not less than INR 500 Crore (Five Hundred Crore only) on each such plant. Such plant should be owned by the Applicant Company (or it's Group Company, as the case may be) as on the date of submission of Eol.

OR

(b) Successfully signed at least 1 (one) contract in the domain of shipbuilding (i.e. ships and crafts/submarine) in last 10 (ten) years of value not less than INR 300 Cr (Three Hundred Crores) and delivered (including acceptance) at least one platform of the same contract during the last 5 (five) financial years.



2.1 Reliance on Group Companies for Meeting System of Systems Gate. In the event the Applicant Company is unable to clear the System of Systems Gate on its own, the Applicant Company may rely on the technical capabilities of its Group Company. In case the Applicant Company has relied on a Group Company for clearing the System of Systems Gate, such Group Company at the time of RFP submission, shall have to provide an undertaking that it will make available or cause to be made available to the Applicant Company/ SPV (as the case may be), all technical resources required to ensure that the Applicant Company/ SPV can at all times fully and effectively discharge its obligations in relation to the Project. The detailed format for such undertaking/ guarantee shall be provided during RFP stage. The ownership structure and management of such Group Company should be in compliance with the provisions of Paragraph 11 and 12 read with Appendix A to Chapter VII of DPP 16.

2.2 Documents for Satisfying 'System of Systems Integration' Criteria. The Applicant Company shall enclose in EoI, the following documents to satisfy the technical gate:-

- (a) Certificate(s) demonstrating the compliance by the Applicant Company or the Group Company(s) with the 'System of Systems Integration' Criteria as mentioned in paragraph 2 (a) and (b) above, providing details {not exceeding 2 (two) pages} with supporting documents as necessary, including the certificates from appropriate government agencies; and
- (b) Unqualified certificate(s) from its statutory auditors or from the statutory auditor of its Group Company(s) specifying the capital expenditure, presence of the plant on the balance sheet OR value of the contract & delivery of one complete system under the contract (including acceptance) as required in paragraph 2 above, along with requisite details in the format provided at **Appendix 'E'**.
- (c) If applicable, an 'Undertaking' in the format provided at **Appendix 'F'** of this REoI.



Submarine Capability Criteria

3. For demonstrating the submarine capability criteria, the Applicant Company would be required to fulfill all the following conditions: -

- (a) Availability of at least 1 (one) suitable dry dock or building bay with ship lift/ floating dock for submarine of 3000 T displacement and length of atleast 90m.
- (b) Availability of at least 2 (two) slots for water frontage/ wet basin/ outfitting berths/ outfitting bays for submarine of 3000T (three thousand tonnes) displacement and length of at least 90m (ninety meters).
- (c) Should have successfully delivered a submarine/ warship/ ship as lead or prime contractor in the past 5 (five) years.

3.1 Reliance on Group Companies for Meeting Submarine Capability Criteria.

In the event the Applicant Company is unable to meet the 'Submarine Capability Criteria' mentioned above, the Applicant Company may rely upon its Group Company(ies') experience. *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.*

3.2 Documents for Satisfying Submarine Capability. The Applicant Company shall enclose in EoI; the certificate(s) demonstrating the compliance by the Applicant Company or Group Company with the Submarine Capability criteria providing details with supporting documents as necessary. In case the Applicant Company relies upon its Group Company for this criteria, an 'Undertaking' in the format provided in **Appendix 'G'** of this REoI.



Financial Gate

4. **Consolidated Turnover.** The Applicant Company shall have a minimum consolidated revenue of INR 2300 Cr (Rupees Two Thousand Three Hundred Crore) during any of the last 3 (three) financial years viz FY 2016-17, FY 2017-18 and FY 2018-19 and an average revenue of INR 1500 Cr (Rupees Fifteen Hundred Crore) in the last 3 (three) financial years viz FY 2016-17, FY 2017-18 and FY 2018-19. The minimum consolidated revenue or average revenue should be calculated based on financial statements audited under the Companies Act and adopted and approved by the board of directors and shareholders/ certificate from Statutory Auditor (applicable only for FY 18-19)

5. **Net Worth.** The Applicant Company shall have minimum net worth of INR 800 Cr (Rupees Eight Hundred Crore) on consolidated basis at the close of the financial year 2017-18 and 2018-19. Certificate from the Statutory Auditor shall be applicable only for FY 2018-19. Net worth is to be based on financial statements audited under the Companies Act and adopted and approved by the board and shareholders. For the purpose of this REoI, Net Worth is to be calculated as follows:

(a) Net Worth = (Paid up share capital) + (reserves and surplus) – (revaluation reserves) – (intangible assets, miscellaneous expenditure to the extent not written off, accumulated losses)

(b) Further any other asset/ liability appearing in the balance sheet and contingent liabilities affecting the Net Worth, as at close of the preceding financial year is to be subtracted from the above calculated Net Worth.

Applicant Company is to mention all the headers given in the Net Worth formula stated above.

6. **Liquidity.** The Applicant Company shall have a minimum cash liquidity of INR 1,000 Cr. (Rupees One Thousand Crore) on consolidated basis at the close of the financial year 2018-19 demonstrated through either:



(a) access to un-utilized line of credit / overdraft facility / cash credit facility from its consortium of banks documented via a letter issued by the lead bank; and/ or

(b) Liquid assets in the form of cash or cash equivalents/ marketable securities on its Balance Sheet for FY 2018-19.

7. **Rating.** The Applicant Company shall have long term issuer credit rating equivalent to Credit Rating Information Services of India Limited (CRISIL) or ICRA Limited "BBB" accorded by Reserve Bank of India (RBI)/ Securities Exchange Board of India (SEBI) approved agencies. Rating report should not be older than 6 (six) months and be the latest available rating.

8. **Dependence on Holding Company for Financial gate.** In the event the Applicant Company is unable to clear the Financial Gate on its own, the Applicant Company may rely on the financial strength of its Holding Company. In case the Applicant Company has relied on the Holding Company for clearing the Financial Gate, such Holding Company, during the time of RFP submission, shall have to provide an undertaking that it will make available or cause to be made available to the Applicant Company/ SPV (as the case may be), all financial resources required to ensure that the Applicant Company/ SPV can at all times fully and effectively discharge its obligations in relation to the Project. The detailed format for such undertaking/ guarantee shall be provided during RFP stage. The ownership structure and management of such Group Company should be in compliance with the provisions of Paragraph 11 and 12 read with Appendix 'A' to Chapter VII of DPP 16. *It must be noted that, in case the Applicant Company relies on its Holding Company for any one of the above-mentioned financial criteria, then reliance must be placed on the Holding Company for all the financial criteria and on a standalone basis.*

9. **Change in Financial Status of Applicant Company. In the case of change of** financial status of Applicant Company from the date of response of EoI to the date of response of RFP, the following would be applicable:-

(a) If Applicant Company is shortlisted based on the credentials of Holding Company at EoI stage and achieves the Financial credentials (turnover, net



worth, liquidity and rating) mentioned above on its own at RFP stage, there would not be a requirement of 'Undertaking' mentioned for the same.

(b) If the financial credentials of Applicant Company reduces at the time of response to RFP, the Applicant Company may choose to rely on the credentials of Holding Company. In this case the Applicant Company will have to submit the relevant 'Undertaking'.

10. **Documents for Satisfying Financial Gate.** The Applicant Company shall enclose in EoI, the following:-

(a) Unqualified certificate(s) from its statutory auditor or the statutory auditor of its Holding Company specifying the consolidated turnover, net worth, liquidity and specifying the methodology adopted for calculating net worth in compliance with Paragraph shortlisted above and as indicated in **Appendix H**;

(b) Credit rating report;

(c) If applicable, letter from the lead bank establishing liquidity; and

(d) If applicable, an 'Undertaking' in the format provided in **Appendix 'J'** of this REoI.

Other Conditions

11. Only one bid is allowed to be submitted from one Group. Promoters and directors of the Applicant Company and the Group Company(s) whose credentials are being relied upon to meet the technical, financial and segment specific qualification should not be willful defaulters to the banking system as on the date of submission of EoI.

12. The Applicant Company shall submit an unqualified certificate from its statutory auditor certifying the shareholding pattern of the Applicant Company on the date of submission of EoI in the form and manner set out in **Appendix 'K'** and in case of dependence of Applicant Company on Group Company or Holding



Company for technical or financial Criteria, the said certificate shall be furnished by the statutory auditor of such company(s) certifying that such company falls under the definition of Group Company or Holding Company, as the case may be.

13. Any change in the shareholding of the SPV shall be subject to the conditions and restrictions to be specified to be specified in the RFP documents.

14. 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.

15. The undertaking executed by the Group Company/ Holding Company (as the case may be) shall remain effective and valid until the completion of the Project, unless the same is/ are released by MoD at its sole discretion, on satisfactory fulfillment by the Applicant Company and/ or SPV of their respective obligations in relation to the Project. The same will be elucidated in the RFP.

16. **As on the date of response to Eol:**

(a) No corporate insolvency resolution process ("CIRP") has commenced and is continuing as regard the Applicant Company and if applicable, its Group Company (in case the Applicant Company intends to clear any of the Minimum Qualifying Criteria through Group Company(ies)) in terms of Sections 7, 9 or 10 (as the case may be) of the Insolvency Bankruptcy Code, 2016 ("IBC");

(i) Provided that, if after the date of submission of response to Eol, the Insolvency Commencement Date occurs as regards the Applicant Company in terms of Sections 7, 9 or 10 (as the case may be) of the IBC; and the NCLT allows withdrawal of the application in terms of Section 12 A of the IBC read with Regulation 30 A of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations 2016; or under Rule 11 of the NCLT



Rules, 2016, at any time before the date of issuance of RFP, in such case the Applicant Company may not be disqualified at the RFP stage.

OR

(ii) Provided that, if after the date of submission of response to EoI, the CIRP is commenced as regards the Applicant Company in terms of Sections 7, 9 or 10 (as the case may be) of the IBC; and the committee of creditors constituted by the interim resolution professional as per Section 21 of IBC approves the resolution plan in terms of Section 30 (4) of IBC and subsequently NCLT passes an order approving such resolution plan in terms of Section 31 of IBC, in such case the Applicant Company may not be disqualified at the RFP stage.



Appendix B

{Refers to Para 21(c)(i) of REoI}

INFORMATION PROFORMA*(Details of only the Applicant Company to be provided)***1. Name, Address and Unique ID (if any) of the Vendor/Company/ Firm**

(Applicant Company profile including shareholding pattern, in brief, to be attached. Applicant Company is to submit an undertaking that any subsequent proposal for change in the name of Applicant Company or address, will be intimated to IHQMoD (N)/DSMAQ, at the first available opportunity and supporting documents be furnished within five (05) Business days of approval by relevant competent authority.

2. Contact Details. (With designated point of contact)

Postal Address:- _____

City: _____ State: _____

Pin Code: _____ Tele: _____

Email: _____

Fax: _____ URL/Web Site: _____

3. Local Branch/ Liaison Office in Delhi (if any).

Name & Address: _____

Pin code: _____ Tel: _____ Fax: _____

4. Financial Details

(a) Category of Industry (Large/ Medium/ Small Scale): _____



- (b) Annual revenue: _____ (in INR Cr)
 (c) Number of employees in Applicant Company: _____
 (d) Earlier defence contracts with MoD:

Contract Number	Equipment	Quantity	Cost

5. Compliance to Technical Gate.

- (a) System of System Integration Criteria.

The Applicant Company or its Group Company in EoI should unambiguously establish compliance with the 'System of Systems Integration' criteria 'providing details {not exceeding 2 (two) pages} with supporting documents as detailed in Appendix A.

- (b) Submarine Capability Criteria.

Submarine Capability Criteria intended to be met through Applicant Company or its Group Company?	
Name of company through which the segment specific criteria are intended to be met	

The Applicant Company in EoI should unambiguously establish compliance with the submarine criteria providing details with supporting documents as detailed in Appendix A.

6. Compliance to Financial Gate.



(a) Financial criteria intended to be met through Applicant Company or its Holding Company?			
(b) Name of company through which the financial gate criteria are intended to be met			
For (b)			
Revenue	FY 2016-17	FY 2017-18	FY 2018-19
(Consolidated for Applicant Company and standalone for its Holding Company, if applicable)			
	FY ____ end		
Net Worth	FY 2017-18		FY 2018-19
(Consolidated for Applicant Company and standalone for its Holding Company, if applicable)			
Credit Rating (report to be attached)			
Credit Rating Agency			

[Applicant Company to attach supporting documents as detailed in Appendix A.]

7. Details of Infrastructure and Experience.

8. Certification by Quality Assurance Organisation.

Name of Agency	Certification	Applicable from (date & Year)	Valid till (date & year)



--	--	--	--

9. Details of Registration

<u>Agency</u>	<u>Registration No</u>	<u>Validity (Date)</u>	<u>Equipment</u>

10. Membership of FICCI/ ASSOCHAM/CII or other Industrial Associations

<u>Name of Organisation</u>	<u>Membership Number</u>

11. Any other relevant information. _____

(Authorised Signatory)

(Note: *The Applicant Company shall submit certified true copy of the charter documents i.e. Articles of Association, Memorandum of Understanding and Certificate of Incorporation, board resolution authorizing power of Attorney and power of attorney, in favour of the Authorised Signatory to execute the documents on behalf of the Applicant Company.*)



Appendix C

{Refers to Para 21 c (ii) of REol}

AFFIDAVIT*(To be executed on stamp paper of appropriate value and notarised)*

I, _____, Son/Daughter of _____, aged _____ years, residing at _____, do hereby solemnly affirm and state as under:

- (a) I am the duly authorized signatory, appointed by the Applicant Company to submit the Eol;
- (b) all the terms and conditions of the REol has been read and understood by the Applicant Company;
- (c) the information furnished by the Applicant Company in are true or correct and any changes will be intimated within 05 (five) business days of occurrence;
- (d) the information provided in Eol satisfies the terms and conditions laid out in the REol document including in particular, the information supplied in relation to Appendix A to this REol.
- (e) none of the directors and promoters of the Applicant Company and/ or its Group Company (s) appear in any circular by RBI; or the specific approval list/ caution list of the Export Credit Guarantee Corporation; or willful defaulters' list of institution; or CIBILs defaulters' list (if any); and
- (f) the Applicant Company has never been banned/debarred for doing business dealings with MoD as per 'Guidelines of The Ministry of Defence for Penalties in Business Dealings with Entities' and no inquiry is pending/ on-going against the Applicant Company.

(Deponent)

VERIFICATION

Verified at _____, this _____ day of _____ [20_ insert year] that the contents of above affidavit are correct and true to the best of my knowledge and belief and nothing has been concealed therefrom.

(Deponent)



ACKNOWLEDGEMENT OF RECEIPT OF REol

Technical Manager (Maritime & Systems)
Ministry of Defence, Acquisition Wing
Room No 3, D II Wing, Ground Floor, Sena Bhavan
New Delhi 110011
Fax No.: +91-11-23017684
Contact Details: 011 23011540
e-mail: dsmaq@navy.navy.gov.in

Dear Sir,

Subject: Acknowledgement of receipt of REol – SP

1. We, [• name of the company] acknowledge the receipt of REol for Selection of Strategic Partners (SPs) for procurement of Submarines under the Strategic Partnership Model published by MoD on _____ Jun 19.

2. We would like to inform you that our organization intends to participate in Project and hereby furnish our organisation's indicative credentials against the MQC stipulated in the Appendix 'A' of aforementioned REol.

- (a) Name of the Applicant Company :
- (b) Address of the Registered Office:
- (c) Nature of Company (Public Limited/Private Limited):
- (d) Nature of Business (Manufacturer/Trader/Service Provider/etc.):
- (e) Indicative Credentials with respect to Technical Gate:-



(i) **System of Systems Capability.**

Name of the company meeting 'System of System' criteria	
Details of Infrastructure	
Product details	
Details of projects in manufacturing of aeroplanes, helicopter, remotely piloted aircraft, spacecraft, chemical plants, power plants, steel plant and/ or automobiles manufacturing plant where commercial operation has been achieved (including project capex)	
Details contracts executed/ under execution in domain of shipbuilding (i.e. ships & crafts/ submarine)	
Relationship with Applicant Company	

(ii) **Indicative Credentials with respect to Submarine capability.**

Name of the Company meeting 'submarine capability' criteria	
Availability of at least 1 (one) suitable dry dock or building bay with ship lift/ floating dock for submarine of 3000 T (three thousand tonnes) displacement and length of atleast 90m (ninety metres)	Indicate (Yes/No)
Availability of at least 2 (two) slots for water frontage/ wet basin/ outfitting berths/ outfitting bays for submarine of 3000T displacement and length of atleast 90m	Indicate (Yes/No)
Should have successfully delivered a submarine/ warship/ ship as lead or prime contractor in the past 5 (five) years	Indicate (Yes/No)
Relationship with Applicant Company	



3. Indicative Credentials with respect to Financial Gate:

Name of the company meeting financial gate criteria	
Consolidated Revenue/ Average Revenue (INR Crore)	
Consolidated Net Worth (INR Crore)	
Company Liquidity	
Credit Rating as per the latest report	
Relationship with Applicant Company	

(Signature of the authorized Signatory)

(Name)

(Designation)



Appendix E

{Refers to Para 2.2 (b) of
Appendix A of REoI}

**CERTIFICATE FROM THE STATUTORY AUDITOR REGARDING
CAPITAL EXPENDITURE AND VALUE OF EQUIPMENT**

Capital Expenditure

Based on its books of accounts, financial statements for the year ended and other published information authenticated by it, this is to certify that the capital expenditure incurred by the Applicant Company or Group Company (as the case may be) in relation to successful commissioning of*(Insert name of plant/ project)* is INR.....Cr. (Rupees.....Crore).

The said plant is on the books of *(Insert name of the company)*.

Further, the plant has been commissioned in the last 10 years on *(Insert date of commissioning of plant)* which has been demonstrated by*(Insert name of certificate attached)*

OR

Value of Contract / Delivery of System

Based on its books of accounts, financial statements for the year ended and other published information authenticated by it, this is to certify that the Applicant Company or Group Company (as the case may be) has signed a contract of value INR.....Cr (Rupees.....Crore) and delivered one *(name of complete platform)* under the contract in the last 5 (five) financial years as demonstrated by *(Insert name of certificate*)*



Name of the audit firm:

Seal of the audit firm:

(Signature, name and designation of the authorized signatory)

Date:

**The certificate should be either a platform acceptance certificate or something equivalent to it.*



Appendix F

{Refers to Para 2.2 (c) of
Appendix A of EoI}

UNDERTAKING FOR SYSTEM OF SYSTEMS INTEGRATION CRITERIA

(To be executed on stamp paper of appropriate value)

Ref. Date:

To,

.....

.....

.....

I _____ on behalf of the Applicant Company, undertake, confirm, acknowledge and declare that the Applicant Company will cause the Group Company _____ *(insert name of the company)* to furnish a guarantee/ undertaking in the format to be prescribed in the RFP documents, in favour of MoD in terms of Paragraph 2.1 of Appendix A of REoI.

[To be Notarised]

Authorised Signatory/Director

Name:

Date:

Place:



Appendix G
(Refers to Para 3.2 of
Appendix A of REoI)

UNDERTAKING FOR SUBMARINE CAPABILITY CRITERIA

(To be executed on stamp paper of appropriate value)

Ref. Date:

To,

.....

.....

.....

I _____ on behalf of the Applicant Company, undertake, confirm, acknowledge and declare that the Applicant Company will cause the Group Company _____ *(insert name of the company)* to furnish a deed of adherence and confirmation cum undertaking in the format to be prescribed in the RFP documents, in favour of MoD in terms of Paragraph 3.2 of **Appendix A** of REoI (if applicable).

[To be Notarised]

Authorised Signatory/Director

Name:

Date:

Place:



Appendix H

(Refers to Para 10 of
Appendix A of REoI)

**CERTIFICATE FROM THE STATUTORY AUDITOR REGARDING
CONSOLIDATED REVENUE AND NET WORTH**

Consolidated Revenue

Based on its books of accounts, financial statements for the year ended _____ and other published information authenticated by it, this is to certify that the consolidated revenue/ average revenue of
(name of the Applicant Company of the last three (03) financial years is as follows:-

- (a) 2018-19 (Financial Year) - INR Cr (RupeesCrore)
- (b) 2017-18 (Financial Year) - INR Cr (Rupees.....Crore)
- (c) 2016-17 (Financial Year) - INR Cr. (RupeesCrore)

Consolidated Net worth

Based on its books of accounts, financial statements for the year ended 2018-19 and other published information authenticated by it, this is to certify that consolidated Net Worth of (Name of the Applicant Company) is INR..... Cr. (RupeesCrore) at the close of the preceding financial year which is calculated as follows:

.....
.....

(Statutory Auditor to detail the subscribed and paid up equity share capital, reserves, miscellaneous expenditure and any other parameters used for calculating the net worth as per clause _____ of _____)

We further certify that the methodology adopted for calculating such net worth conforms to the provisions of Paragraph 5 of the **Appendix A** of REoI.



Consolidated Liquidity

Based on its books of accounts, financial statements for the year ended 2018-19 and other published information authenticated by it, this is to certify that the cash liquidity with (*Name of the Applicant Company*) in the as demonstrated by un-utilized line of credit / overdraft facility / cash credit facility from its consortium of banks documented via letter no. issued by the lead bank(*Name of lead Bank*) or liquid assets in the form of cash or cash equivalents / marketable securities on its Balance Sheet for FY 2018-19 is INR Cr. (RupeesCrore).

Name of the audit firm:

Seal of the audit firm:

(Signature, name and designation of the authorized signatory)

Date:

Note: *If the Applicant Company is depending on its Holding Company for clearing the financial gate, then this certificate has to be provided by the Holding Company on standalone basis.*



Appendix J

(Refers to Para 10 of
Appendix A of REol)

UNDERTAKING FOR FINANCIAL GATE

(To be executed on stamp paper of appropriate value)

Ref. Date:

To,

.....

.....

.....

I _____ on behalf of the Applicant Company, undertake,
confirm, acknowledge and declare that:

Where the Applicant Company has relied on its Holding Company for clearing
the Financial Gate, the Applicant Company will cause the Holding Company
i.e. _____ (*insert name of the Company*) to furnish a guarantee/
undertaking in the format to be prescribed in the RFP documents in favour
of MoD in terms of Paragraph 10 of Appendix A of REol;

[To be Notarised]

Authorised Signatory/Director

Name:

Date:

Place:



Appendix K
(Refers to Para 12 & 14 of
Appendix A of REol)

**CERTIFICATE FROM THE STATUTORY AUDITOR REGARDING
SHAREHOLDING PATTERN**

1. The statutory auditor of the Applicant Company (and its respective Group Companies and/ or Holding Company), as applicable shall furnish the requisite certificates here as per the provisions of paragraph 12 of **Appendix A** of REol.
2. The same certificate should also confirm the compliance of such Applicant Company/ Group Company/ Holding Company with respect Paragraph 14 of **Appendix A** of REol.
3. For companies qualifying as Group Company through the route of **“promoter or a body corporate that is under the same management as that of the Applicant Company”**, the certificates from Statutory Auditor should clearly establish that Applicant Company and the Group Companies are under the “same management” by providing details of common entity (individual or body corporate or combination thereof) that directly or indirectly owns not less than 26% (twenty six percent) of the aggregate issued, subscribed and paid up equity share capital, with no other entity holding an equal or greater percentage of the aggregate issued, subscribed and paid up equity share capital.



Appendix L

{Refers to Paragraph 13 (c) & 21 (c) (ix) of REol}

The Applicant Companies are to propose its methodology, plan and expectations from the OEMs for setting up of the envisaged R&D centre in accordance with Paragraph 13 (c) of REol.

Appendix M

(Refers to Paragraph 21 c (x)
of REol)

The Applicant Companies are to furnish their views, comments and recommendations on the setting up of SPV in accordance with Paragraph 14 of REol and on Title & Risk clause in accordance with Paragraph 16 of REol



UNDERTAKING FOR CHANGE OF ADDRESS

(To be executed on stamp paper of appropriate value)

Ref. Date:

To,

.....

.....

.....

I _____ on behalf of the Applicant Company, undertake, confirm, acknowledge and declare that any subsequent proposal for change in the name of Applicant Company or address, will be intimated to IHQMoD (N)/DSMAQ, at the first available opportunity and supporting documents be furnished within five (05) Business days of approval by relevant competent authority.

[To be Notarised]

Authorised Signatory/Director

Name:

Date:

Place:

