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Integrated HQ of MoD (Army)
General Staff Branch
Directorate General of Artillery (Arty-5)
New Delhi – 110 011

A/30151/TGS/GS/238/Arty-5

19 Dec 2022

**REQUEST FOR INFORMATION (RFI) FOR PROCUREMENT OF
155MM / 52 CALIBRE TOWED GUN SYSTEM FOR INDIAN ARMY**

1. Ministry of Defence, Government of India intends to procure 155 mm/ 52 Calibre Towed Gun System. With a view to identify probable Indian vendors who can undertake the said project OEMs/ Vendors are requested to forward information on the product which they can offer. The parameters/ broad specifications of the item are attached as **Appendix A**.
2. In addition, the vendors are required to furnish details as per proforma at **Appendix B**. Apart from the information as per the Appendices, the vendors are also requested to forward technical details/ product brochures/ literature etc pertaining to the equipment intended to be procured.
3. This Request for Information (RFI) consists of two parts as indicated below:-
 - (a) **Part I**. The first part of the RFI (enclosed as **Appendix A**) incorporates operational & technical characteristics and features of 155 mm/ 52 Calibre Towed Gun System. The 'Response by vendors' column in the tabulated sheet may be filled in by the vendor as to whether the specified parameter is complied with or not and with any other details as applicable. Amplifications or comments to changes suggested if any, may also be made in order to facilitate review of the operational requirements.
 - (b) **Part II**. The second part of the RFI states that conditions to be acceptable to vendors and methodology of seeking response from vendors. Submission of incomplete response format could render the vendor liable for rejection.

PART I

4. Regiments are to be equipped with Towed Gun System to be employed in all terrain configuration including mountains upto 5000 meters for execution of Artillery tasks.

5. **Operational Requirements and Intended Use of Equipment**

- (a) **Calibre**. Procurement 155 mm/ 52 Calibre Towed Gun System to be employed in plains, Mountains upto 5000 meters, semi desert and desert terrain for execution of Artillery tasks.



- (b) **Ammunition.** 155 mm/ 52 Calibre Gun System should be able to fire all in-service ammunition at the time of trials including precision ammunition.
- (c) **Mobility.** The vehicle of 155/ 52 Calibre Towed Gun System with in-service GTVs should have capability to operate in existing road and track network existing and created in mountains, High Altitude Areas and desert terrain in own Northern and Western Borders. Hence, weight of the Gun system be preferably less than 15 tons.
- (d) **Fire Control System (FCS).** 155 mm/ 52 Calibre Gun System should have GPS and Inertial Navigation System based sight system with capability to orient and fixing the location of the Gun System. The FCS should also have capability to provide day and night direct and indirect firing. FCS should be compatible to Project SHAKTI.
- (e) **Maint.** 155 mm/ 52 Calibre Gun System should have Built in test facility (BITE) to support fault finding and repairs of the equipment.
- (f) **Standardization.** All components/ sub-assemblies should confirm to relevant MIL STD(S)/ JSS-55555 or equipment internationally accepted standards.

6. Vendors should confirm that following conditions are acceptable:-

- (a) The solicitation of offers will be as per 'Single Stage-Two Bid System'. It would imply that a 'Request for Proposal' would be issued soliciting the Technical and Commercial offers together, but in two separate sealed envelopes. The validity of commercial offers would be at least 18 months from the last date of submission of offers.
- (b) The technical offers would be evaluated by a Technical Evaluation Committee (TEC) to check its compliance with RFP.
- (c) The equipment of all TEC cleared vendors would be put through a trial evaluation in India on a 'No Cost No Commitment' basis. A staff evaluation would be carried out by SHQ to analyse the result of field evaluation and shortlist the equipment for introduction into service.
- (d) Amongst the vendors cleared by GS evaluation, a Contract Negotiations Committee would decide the lowest cost bidder (L1) and conclude the appropriate contract.
- (e) Vendor would be bound to provide product support for time period specified in the RFP, which includes spares and maintenance tools/jigs/fixtures for field and component level repairs.
- (f) The vendor would be required to accept the general conditions of contract given in the Standard Contract Document at Chapter VI of DAP.
- (g) **Integrity Pact (if applicable).** An integrity pact along with appropriate IPBG is a mandatory requirement in the instant case.



- (h) **Performance-cum-Warranty Bond.** Performance-cum-Warranty Bond both equal to 3 % value of the contract inclusive of taxes and duties or as amended from time to time is required to be submitted after signing of contract.
- (j) **Indigenous Content (IC).** A minimum of 50 % IC for Buy Indian (IDDM) and 60 % IC for Buy Indian will be present in the equipment.
- (m) **Engineering Support Package (ESP).** The details of ESP for the equipment are to be provided.

PART - II

REQUEST FOR INFORMATION FOR PROCUREMENT OF 155 MM / 52 CALIBRE TOWED GUN SYSTEM

7. The Indian Army is planning to procure 155 mm/ 52 Calibre Towed Gun System. With the view to identify probable vendors who can undertake the said project, OEMs/ Authorised Vendors are requested to forward information on the product which they can offer. The parameters/ broad specifications of the item are mentioned in the Questionnaire attached at **Appendix A**. In addition the vendors are required to furnish details as per Proforma at **Appendix B**. Guidelines for Framing Criteria for Vendor Selection/ Pre-Qualification in Buy Indian (IDDM) and Buy (Indian) Cases are attached at **Appendix C**.
8. Apart from the information in the Appendices the vendors may also forward technical details / product brochures/literature etc pertaining to the equipment in question.
9. Vendor Interaction will be held on **03 Jan 2023**, as per Paragraph 07 Chapter-II of DAP-2020. All queries on RFI of OEM/ Authorised vendor be submitted before above date. Details of representative attending be provided by **30 Dec 2022** for requisite clearances.
10. The required information/ details may please be forwarded at the following address. Last date of RFI submission will be intimate during the vendor interaction :-

- (a) Directorate General of Artillery/Artillery-5
General Staff Branch
Room No 507, 'A' Wing, Sena Bhawan
Integrated HQ of MoD (Army)
DHQ PO, New Delhi - 110011
(Fax - 011-23018412)
E mail : aprocc@nic.in
- (b) Directorate General of Capability Development (CD-5)
General Staff Branch
Room No 511, 'A' Wing, Sena Bhawan
Integrated HQ of MoD (Army)
DHQ PO, New Delhi - 110011
(Fax - 011-23793274)



- (c) Directorate General of Capability Development (RFP Cell)
General Staff Branch
Room No 444, 'A' Wing, Sena Bhawan
Integrated HQ of MoD (Army) DHQ PO, New Delhi - 110011
(Fax - 011-23793274)
- (e) Army Design Bureau (GSQR Cell)
General Staff Branch 'C' Wing
Room No 16, Sena Bhawan
Integrated HQ of MoD (Army)
DHQ PO, New Delhi - 110011
(Fax : 011-23011198)
- (g) Additional Director General Acquisition
(Technical - Army)/ ADG Acquisition (Tech-Army)
Room No 28B, D-II Wing, Sena Bhawan
Ministry of Defence, New Delhi- 110011
(Fax - 011-23792414)
- (h) Directorate of Planning & Coordination (LS Division)
Department of Defence Production
Ministry of Defence
4th Floor, C Block, Defence Offices Complex
KG Marg, New Delhi-110001



RFI QUESTIONNAIRE : 155 MM / 52 CAL TOWED GUN SYSTEM

<u>S No</u>	<u>Specification Required</u>	<u>Response</u>
1.	<u>Operational Parameters</u>	
(a)	<u>Gun</u>	
(i)	What is the length, width and height of the gun in Meters in travel position ?	
(ii)	What is the weight of the gun in Kilograms ?	
(iii)	What is the length of barrel in meters?	
(iv)	What is the life of the barrel in terms of Equivalent Full Charge (EFC)?	
(v)	What is the chamber capacity of the barrel?	
(vi)	How many personnel are required as crew (including the commander and driver) to operate the gun?	
(vii)	What are the traverse limits at all angles of elevation? (Mention as ____ degrees Right and ____ degrees Left for ____ to ____ angle of elevation)	
(viii)	What is the maximum and minimum elevation for the gun system?	
(ix)	What is the maximum altitude above MSL that the gun can be employed with and without special preparation/ modification?	
(x)	Is the gun system compatible with current types of 155 mm ammunition used by the Indian Army?	
(xi)	<u>Time Into / Out of Action.</u> What are the time limits for the gun to come into and out of action during Day and during Night?	
(xi)	<u>Safety Arrangements.</u> What are the safety arrangements on the equipment to ensure the following:- (aa) The gun does not fire till breech block is closed. (ab) The gun does not fire till fully run out. (ac) The gun should have facility to set firing mechanism to safe. (ad) Once breech is closed, it should not open unless the gun has fired or without physical action by operator. (ae) Prevent firing when gun is beyond safe traverse/ elevation limits.	



<u>S</u> <u>No</u>	<u>Specification Required</u>	<u>Response</u>
	<p>(af) Safety lights during move, should be provided in front and at the rear of the gun system.</p> <p>(ag) Over voltage and overload protection including surge protection.</p> <p>(ah) Prevention of double loading of Shell & Charges.</p> <p>(aj) A system should be provided on the TGS for indication of the following:-</p> <p>(i) Readiness to fire.</p> <p>(ii) Level of oil and air pressure in the recoil system.</p> <p>(iii) Chamber loaded.</p> <p>(iv) High barrel temperature conditions to prevent cook off.</p> <p>(ak) Suitable locking arrangements for locking azimuth and elevation axes should be provided.</p>	
(xii)	<u>Ammunition Auto Loading.</u> Does the gun have automatic loading as well as manual loading facilities ?	
(b)	<u>Sighting System.</u>	
(i)	<p>Is the sighting system based on GPS/IRNSS and Inertial Navigation System?</p> <p>(aa) What is INS alignment timings without GPS?</p> <p>(ab) What is accuracy of fixation with and without GPS on moving 10 kms from point of fixation?</p> <p>(ac) INS is based on RLG technology or Analog Technology?</p> <p>(ad) Is the electronic sight system compatible with DSM?</p>	



<u>S No</u>	<u>Specification Required</u>	<u>Response</u>
	<p>(ii) What is the accuracy of aiming INS/GPS based sight for the following:-</p> <p>(aa) Azimuth (in mils).</p> <p>(ab) Elevation (in mils).</p> <p>(iii) <u>Optical Sight for Indirect Fire.</u></p> <p>(aa) Does the equipment have an optical sight with collimator as a back-up for indirect fire during Day and Night ?</p> <p>(ab) What is the Magnification and Field of View of the optical sight?</p> <p>(iv) <u>Day Night Thermal Direct Firing Sight.</u></p> <p>(aa) Does it have Day and Night Thermal Direct Firing Sight with an integrated Laser Range Finder?</p> <p>(ab) At what ranges can the Night Sight identify a tank sized target at Night ?</p> <p>(ac) What is the maximum and minimum range of Laser Range Finder (LRF)?</p> <p>(v) <u>Direct Firing Sight.</u> What is the Magnification and Field of View of Day sight for direct firing?</p>	
	<p>(c) <u>Fire Control System (FCS)</u></p> <p>(i) Is the FCS capable of receiving the gun data from the Command Post in digital as well as manual feed by the gun crew?</p> <p>(ii) Is the FCS capable of laying the gun automatically, after input of command from the crew, at the desired bearing and elevation?</p> <p>(iii) Can the FCS be integrated with Project SHAKTI?</p> <p>(iv) Can the gun system fire in autonomous mode (on orders of OP without command post)?</p> <p>(v) Is Artificial Intelligence (AI) incorporated. If yes, for what purpose?</p>	



<u>S No</u>	<u>Specification Required</u>	<u>Response</u>
	(d) <u>Muzzle Velocity Radar (MVR)</u>	
	(i) Is the equipment equipped with an integrated MVR ?	
	(ii) Does the FCS of the Gun automatically compute the MV from the integrated MVR ?	
	(e) <u>Accuracy and Consistency in Low Angle at 80 Per Cent of Maximum Range for Standard HE Ammunition and HE Base Bleed Ammunition in Low Angle.</u>	
	(i) What is the consistency of the gun in terms of the following:-	
	(i) Range.	
	(ii) Line.	
	(ii) What is the accuracy of the gun in terms of the following:-	
	(i) Range.	
	(ii) Line.	
	(f) <u>Direct Firing</u> . What is the maximum distance at which the gun can hit at 3m x 3m target within three rounds?	
	(g) <u>Recoil System</u> . What is the type of recoil system in the Gun ?	
	(h) <u>Obturation System</u> . What type of obturation system is in use with the Gun?	
2.	<u>Mobility Parameters</u>	
	(a) Does the Gun has Auxiliary Power Unit for gun firing and limited mobility without GTV?	
	(b) What is backup means for power supply incase of APU failure?	
	(c) What is the maximum speed and distance the gun can travel without GTVs in beaten desert tracks?	
	(d) What is the maximum side slope stability provided by the gun without GTV ?	
	(e) What is the ground clearance of the Gun in Meters ?	
	(f) Can the gun be carried in the service aircraft like IL 76, C17 & C130 ?	
	(g) What is the maximum gradient negotiable by the gun with APU?	
	(h) What is the maximum gradient negotiable by the gun with GTV and with APU switched off?	
	(j) What is the depth of water body which can be crossed / negotiated by the gun without any additional preparation or equipment?	
	(k) What is the depth of trench which can be crossed by the gun on APU?	
	(l) What is the depth of trench which can be crossed by the gun with GTV?	
	(m) What is the Turning Circle Diameter while towed with GTV as measured from the central axis of the gun?	
	(n) Can the gun negotiate without additional preparation on the assault bridges in service in Indian Army ?	
	(o) Can the gun be carried on existing Railway wagon on the Broad Gauge Railway line?	
	(p) What is the maximum power, torque and RPM of APU?	



<u>S No</u>	<u>Specification Required</u>	<u>Response</u>
	<p>(q) Brakes.</p> <p>(i) Does the gun have Anti Lock Brake System ?</p> <p>(ii) What is the maximum gradient at which the gun can be held by the brakes without GTV?</p> <p>(r) What is the average life of APU in hours run? What are the parameters for overhaul of the APU?</p>	
3.	<p>Firing Parameters</p> <p>(a) What is the maximum range of the gun with standard High Explosive (HE) ammunition?</p> <p>(b) What is the maximum range of the gun with assisted (Base Bleed) ammunition?</p> <p>(c) What is the minimum range achievable by the gun in high angle with standard HE ammunition?</p> <p>(d) What is the maximum range of the gun for direct fire / anti tank fire?</p> <p>(e) What is the intense rate of fire of the gun with highest charge? What is the maximum duration for which it can fire at intense rate?</p> <p>(f) What is the burst rate of fire of the gun with highest charge?</p> <p>(g) What is its sustained rate of fire for 60 minutes with highest charge?</p>	
4.	<p>Miscellaneous Details</p> <p>(a) What are the towing arrangements and compatibility with in-service GTVs?</p> <p>(b) Can the Gun's APU function in tandem with GTV engine while being towed?</p> <p>(c) What are the means of ejecting a stuck projectile?</p> <p>(d) Is security lights on barrel/ rear of the gun being provided while being towed with GTV?</p> <p>(e) What is the primer magazine capacity in the firing mechanism?</p> <p>(f) Parameters recommended to be evaluated by certification/ simulation?</p> <p>(g) Power Backup Arrangements. Does the gun have alternate back-up arrangements for enabling automatic functions including laying as well as to bring the Towed Gun System into and out of action?</p> <p>(h) Cold startup. What are the cold starting arrangements provided for ignition of APU upto -20°C and altitude upto 5000 meters?</p> <p>(j) Communication System.</p> <p>(i) What are the arrangements for inter-communication within the gun crew?</p> <p>(ii) What are the arrangements for Detachment Commander to communicate with the Command Post within range of minimum one kilometre?</p> <p>(k) Maintenance Philosophy. What would be the Maintenance philosophy for repair and maintenance of the gun? Can it be aligned with the system of unit and Field level repairs prevalent in the Defence Services?</p>	



<u>S No</u>	<u>Specification Required</u>	<u>Response</u>
(l)	<p><u>Product Support.</u></p> <p>(i) What kind of 'Product Support' will be ensured including warranty & AMC proposed? What will be 'Time Period'?</p> <p>(ii) What is the anticipated time line for base overhaul and is the firm willing to provide the facility?</p> <p>(iii) Is the company have major repair and overhaul facility for major assemblies and component level repair? Is the firm ready to share MToT with Indian Army?</p> <p>(iv) Does the company ready to sign Life Cycle Support Contract (LCSC) with the gun contract as per DAP 2020? Does the company ready to provide LCSC for entire life of the equipment?</p> <p>(v) Can ESP (Engineering Support Package) comprising of MRLS (Manufacture Recommended List of Spares), SMT (Special Maintenance Tools) / STE (Special Test Equipment), Technical Manual / Documents, Training Material including Sectionised Models, Training Charts and CBT (Computer Based Test) packages be provided?</p>	
(m)	<p><u>Warning Arrangements.</u> What warning arrangements are incorporated to ensure safe operation and maintenance of the gun?</p>	
(n)	<p><u>On Board Test Equipment.</u> Give out the details of following:-</p> <p>(i) Off line test facilities for FCS and APU.</p> <p>(ii) Hardware test facilities.</p>	
(o)	<p><u>Environmental Performance.</u></p> <p>(i) What is the temperature range in which the gun system will function efficiently?</p> <p>(ii) Does the gun comply with JSS 55555 standards ?</p>	
(p)	<p><u>Standardisation.</u> Please confirm that the assemblies, sub-assemblies, components, parts and materials used in the equipment conforms to relevant MILSTD(S) and in the absence of MILSTD(S), other internationally accepted standards.</p>	
(q)	<p><u>Status of Development / Production</u></p> <p>(i) What is the present status of development of the gun system?</p> <p>(ii) Please specify timelines for fielding the product for evaluation from date of issue of RFP.</p>	



<u>S No</u>	<u>Specification Required</u>	<u>Response</u>
	(iii) What is the infrastructure available to produce the Towed Gun System in India? (iv) What is / will be the annual production capability of your firm? (v) Please intimate number of Equipment Under Trials (EUT) that can be provided for trials. (vi) Please clarify whether EUT being provided will be of JV Foreign OEM or of the Indian Vendor?	
(r)	<u>Indicative Cost.</u> Likely cost of production of one Towed Gun System in broad percentage wise breakdown to facilitate formulation of PVC formula as given below:- (i) Fixed Percentage. (ii) <u>Material Percentage.</u> Only two to three major materials to be mentioned. (iii) Labour Percentage.	
(s)	What is the minimum quantity which OEM would be willing to offer keeping in mind the financial viability of the project?	
(t)	<u>Details of Joint Venture (JV) Partners.</u> (i) Please specify details of foreign firm(s) as JV partner(s) (if any). If Yes, what are the essential critical technology which are required to be obtained? How much time will the startup/JV take to start production? (ii) What are the critical system for which IPR will be with JV Foreign OEM?	
(u)	Whether it is indigenous design and development? If No, whether the vendor has IPR for the eqpt? Maximum IC Content (excluding labour) that can be confirmed by the vendor?	
(v)	Please specific if your firm will be able to field their equipment under Buy Indian (IDDM) category?	
(w)	Is this eqpt in service with any other country? If yes, furnish details of quantity supplied to the country and year of supply? In which country and Def/ Para Mil forces has the eqpt in service and since when?	
(x)	What are the enhanced parameters / specification that can be provided?	
(y)	Will you be able to offer sectionised /cut models, 3D models, CDs for training whether simulators for the equipment are available and will be provided?	
(z)	Any other relevant info in terms of specifications/ terms of reference, the OEM/ vendor would like to share.	
(aa)	What fire safety arrangements are provided with the system?	
(ab)	Max feasible preservation period, if required? Effect of preservation on warranty?	
(ac)	Is the firm holding Design IPR of the gun system? Also specify specific IPRs with respect to components and subcomponents of the gun system held with the firm?	



INFORMATION PROFORMA (INDIAN VENDORS)

1. Name of the Vendor/Company/Firm.

(Company profile including Share Holding pattern, in brief, to be attached)

2. Type (Tick the relevant category).

Original Equipment Manufacturer (OEM)	Yes/No
Authorised Vendor of foreign OEM	Yes/No (attach details, if yes)
Others (give specific details)	

3. Contact Details.

Postal Address:

City: _____ State / Province: _____

Country: _____ Pin / Zip Code: _____

Tele: _____ Fax: _____

URL/Web Site: _____ Email : _____

4. Local Branch/ Liaison Office / Agent (if any).

Name & Address: _____

City: _____ Province / State: _____

Pin code _____ Tele: _____ Fax: _____

5. Financial Details. Category of Industry (Large/Medium/Small Scale) : _____

6. Certification By Quality Assurance Organization.

<u>Name of Agency</u>	<u>Certification</u>	<u>Applicable from (Date &Year)</u>	<u>Valid till (Date &Year)</u>



7. **Details of Registration.**

Agency	Registration No	Validity (Date)	Equipment
GeM			
DGQA/DGAQA/DGNAI			
OFB			
DRDO			
Any other Government Agency			

8. **Membership of FICCI/Assocham/CII or other Industrial Associations.****Name of Organisation****Membership Number**9. **Equipment/Product Profile (to be Submitted for Each Product Separately)**

(a) Name of Product_____

(IDDM Capability be indicated against the product)

(Should be given category wise for e.g. all products under night vision devices to be mentioned together)

(b) Description (attach Technical Literature):

(c) Whether OEM or Integrator:

(d) Name and Address of Foreign Collaborator (if any):

(e) Industrial Licence Number:

(f) Indigenous Component of the Product (in Percentage):

(g) Status (in Service/Design & Development Stage):

(h) Production Capacity Per Annum:

(j) Countries/Agencies Where Equipment Supplied Earlier (Give Details of Quantity Supplied):

(k) Estimated Price of the Equipment.



10. Alternatives for Meeting the Objectives of the Equipment Set Forth in the RFI.
11. Any other Relevant Information:
12. **Declaration**. It is certified that the above information is true and any changes will be intimated at the earliest.

(Authorised Signatory)



**GUIDELINES FOR FRAMING CRITERIA FOR VENDOR SELECTION/ PRE
QUALIFICATION IN BUY INDIAN (IDDM) AND BUY (INDIAN) CASES**

1. The guidelines prescribed for short-listing/ pre-qualification of Indian vendors in Buy (Indian-IDDM) & Buy (Indian) cases are enumerated in the succeeding paragraphs. Paragraph 2 deals with the parameters that may be considered for short-listing of vendors, whereas Paragraph 3 amplifies the process for applying selected parameters to the process of Vendor Short listing.

2. **Parameters.**

(a) **General Parameters.**

- (i) Applicant Entity should be an Indian Vendor as defined at Paragraph 20 of Chapter I of DAP 2020.
- (ii) Business dealing with applicant Entity or any of its allied entities should not have been suspended or banned, by MoD/ SHQ or any Government Department or organization (as defined in Guidelines for Penalties in Business Dealings with Entities issued vide Ministry of Defence, D(Vigilance) MoD ID No 31013/I/2006-D(Vig) Vol II dated 21 Nov 2016). None of the Promoters and Directors of applicant entity should be a wilful defaulter.
- (iii) "Entities" will include companies, with whom the Ministry of Defence has entered into, or intends to enter into, or could enter into contracts or agreements.
- (iv) "Applicant entity" may be a company, subsidiary, an associate company (as defined in the Companies Act, 2013), a consortium or a Joint Venture (JV).

(b) **Technical Parameters.**

- (i) Vendor shall be a manufacturing entity or a system integrator of defence equipment and not a trading company, except in cases where the OEM participates only through its authorised Vendors.
- (ii) Minimum **two years** experience in **broad areas like manufacturing/ electronics/ explosives etc. as applicable in the instant procurement case**. If not, then cumulative experience of at **least three years in above areas**, resulting in gaining of competence for manufacturing the proposed product. (In case the SHQ feels that for a particular equipment a lesser experience could be accepted, then the same should be got approved by the competent authority before including the same in the RFP).
- (iii) Where product involves integration, previous experience **of not less than one year/ one project** in integration of systems/ equipment shall be required.



(iv) **Turnkey Projects.** Experience of successful completion of one Turnkey project of similar nature within last five years with value of at least 20% of AoN cost or currently executing a contract of similar nature with value of at least 30% of the AoN cost. In case of no experience in Turnkey projects, the vendor for main component of the Turnkey project may be selected if it has experience as per paragraph 2 (b) (ii) above and experience of installation or integration of similar equipment/system or system of systems.

(v) **ICT Cases.**

(aa) Certification to be included if linked to scope of work - Gartner Quadrant/ISO9001/CMMi3 or more (specifying development/service/acquisition models)/ISO27001. For Information Security and large value projects preferably CMMi5 may be specified.

(ab) Compliance with IEEE/ ITU standards depending upon nature/ type of project or solution required.

(c) **Financial Parameters.**

(i) **Average Annual Turnover.** Minimum average annual turnover for last three financial years, ending 31st March of the previous financial year, should not be less than 30% of estimated cost of the Buy (Indian-IDDMM) and Buy (Indian) project and for Buy (Indian) should not be less than 30% of estimated cost of the Make portion.

(ii) **Net Worth.** Net worth of entities, ending 31st March of the previous financial year, should not be less than 5% of the estimated cost of the Buy (Indian-IDDMM) and Buy (Indian) project should not be less than 5% of estimated cost of the Make portion. For orders above ₹ 5000 crores, the Networth of group companies can be considered on production of suitable documentary assurance.

(iii) **Insolvency.** The entity should not be under insolvency resolution as per Indian Bankruptcy Code at any stage of procurement process from the issuing of RFP to the signing of contract.

(iv) **Credit Rating (Desirable Financial Parameter).** Long term credit rating equivalent to CRISIL rating on Corporate Credit Scale as CCR-BBB or better, and SME-04 or better for SMEs issued by credit rating agencies recognized by SEBI. Credit rating should be as on 31st March of the previous financial year.

(Note 1: All the above Financial Parameters, except Paragraph 2(c)(iii) above (Insolvency) will not be applicable for Capital Acquisition cases where estimated cost is ₹150 crores and below. However, Net worth of entities should not be negative.

Note 2: The turnover and net worth of the vendor shall be rounded off to the nearest lower ten/ hundred crores so as to keep the estimated cost of procurement confidential).



(d) **Other Parameters.**

(i) **Industrial License (IL).** Vendors should be either holding a valid defence industrial license or should have applied for the same before responding to RFP. In any case the vendor must confirm holding of IL before commencement of FET. (Items requiring IL will be as per DIPP Press Note 3 of 2014 as amended from time to time).

(ii) **Registration.** Registered for a minimum of two years (one year for SMEs). Minimum number of years not applicable for JVs constituted specifically for a project.

3. **Stipulations for Applying Parameters.**

(a) **Areas like manufacturing/ electronics/ explosives etc.** referred to at Paragraph 2(b)(ii) should be defined in each case of procurement.

(b) In case the Applicant Entity is unable to meet the Financial Parameters by itself, it may rely on its **Holding Company** (as defined in the Companies Act, 2013 and amendments thereof) ("Companies Act") for fulfilment of the Financial Parameters, in which case reliance must be placed on the Holding Company towards fulfilment of **ALL** the Financial Parameters.

(c) In case the Applicant Entity is unable to meet one or more of the Technical Parameters by itself, it may rely on a Group Company(ies) for fulfilment of the Technical Parameters. A Group Company in relation to the Applicant Entity may be:-

(i) A company of which the Applicant Entity it is an Associate Company. Such company should have ownership, directly or indirectly, of at least **26%** of the voting shares of the Applicant Entity.

(ii) A company which is an Associate Company of the Applicant Entity. The Applicant Entity should have ownership directly or indirectly, of at least 26% of the voting shares of such Associate Company.

(iii) A Company with whom the Applicant Entity is commonly owned, directly or indirectly, for at least **26%** of the voting shares by another company. For example: An Applicant Company A is an Associate Company of Company B, in which B holds at least 26%. Further, C is also an Associate Company of B, in which B holds at least 26%. In this case the Applicant Company may use the credentials of C as well.

(iv) The Holding Company and Subsidiary Companies (as defined under the Companies Act) of the Applicant Entity.

(d) The Applicant entity may be a single entity or a group of entities (the "Consortium"), coming together to implement the project. In such case:-

(i) The credentials of only those members or their related entities may be counted, who have at least 26% equity stake in the Consortium.

(ii) Each Consortium should have a designated **Lead Member**.



(iii) For Technical Parameters, **any of the Consortium members or their Group Companies** may meet the criteria.

(iv) For Financial Parameters; the Turnover and Net Worth of the Consortium Member shall be reckoned **proportionate to Consortium Member's equity stake** in the Consortium, and each Consortium member should meet the other criteria pertaining to Insolvency and Credit Rating. In case the Consortium Member relies on its Holding Company for any one of the above-mentioned Financial Parameters, then reliance must be placed on the Holding Company for meeting **all the financial Parameters**.

(e) Vendors should provide all necessary self-authenticated documentation in support of their achievement of criteria. Such documentation should inter-alia include :-

(i) Details of projects/ supply orders successfully executed in the last two years.

(ii) Annual reports for three years of applicant entity, parent and associate companies, consortium and JV partners.

(iii) Details of shareholders, promoters, associated, allied and JV companies.

(iv) Details of vigilance action, viz. ongoing investigation and suspension/ debarment/ blacklisting actions against the applicant entity or any of its allied entities, parent company or consortium and JV partners, if any by any Department/agency of Central Government.

(v) A certificate from CA/CS indicating the financial parameters for the last three years as per Paragraph 2(c).

(Note): If a vendor is already a supplier to MoD and/ or has already provided the above documents in such cases, it should be necessary for the vendor to resubmit only such documentations as is necessary to update the above).

(f) Any vendor furnishing false information will be liable for action as per existing guidelines.

(g) Based on these generic parameters, more specific criteria should be evolved by the SHQ with regard to Technical and Financial parameters {Paras 2(b) and 2 (c) above} in each procurement case depending upon requirements peculiar to each case keeping in view the overall need to ensure wider vendor participation. The specific criteria evolved by the SHQ for each case, as per these guidelines, may be got approved by the competent authority before including the same in the RFPs.



4. **Start Ups/ MSMEs.** Start ups would be defined as per G.S.R. 127 (E) dated 19 Feb 2019 (as amended from time to time). For procurement cases where the estimated cost is not exceeding ₹100 crores/ year based on delivery schedule at the time of seeking AoN or ₹ 150 crores, whichever is higher, to encourage the Start Ups/ MSMEs and build Industrial ecosystem, the recognized Start Ups/ MSMEs in the relevant fields may be considered for issue of RFP without any stipulation of Financial parameters, except Paragraph 2(c)(iii) above (Insolvency) and with General and Technical parameters to be decided on case to case basis.

(Note: Start Ups should not be confused with New entrants who may be high/ mid-sized groups having financial support and manufacturing experiences and now venturing into Defence Production).

5. The criteria for vendor selection shall be clearly stipulated in RFPs so as to maintain transparency. Care shall be taken to ensure that the stipulated criteria are not open to subjectivity and arbitrary interpretation.

