

Clarification on BHEL (Bharat Heavy Electricals Limited) Tender for ' Appointment of Professional Consultant for Implementation of Indian Accounting Standards (Ind AS)
NIT No. : BHEL:FIN:AC:Ind AS:2015-16 Dated 25-08-2015

Sr. No.	Query	Reference to tender document	BHEL Comments
1	Following are the additional paras/lines to be inserted in the tender:	-	
	In Annexure B (Declaration Certificate-I) - "As is the case with all professional organizations of our size, we do, from time to time, receive claims/notice etc. relating to the provision of professional services during the normal course of our professional activities. We confirm that our current claims will not have an adverse impact on our ability to perform the services herein. However, we do not, as a matter of policy provide details of specific litigation records and claims since the same is confidential and sub-judice."	Anexure B on page 14	i) We are not seeking details of litigation records and claims. ii) The certificate referred in Annexure B (Declaration Certificate-I) on page 14 of the Tender document is merely seeking a declaration that the bidder is not involved in any financial irregularity, disciplinary action, scam during last 3 financial years (2012-13 to 2014-15) and the bidder has not been banned or de-listed by any PSU etc. & that no case is pending with the police/court against the firm/partner or the company in its professional capacity.
	Clause 17 on Page 18 - Sole Arbitrator to be appointed as per mutual agreement between the parties or in case the parties fail to mutually agree in that case the arbitrator should be appointed in terms of Arbitration and Conciliation Act 1996.	-	No change. Clause 17 on page 18 of the Tender document to continue
	Certain clauses:		
	a. Limitation of Liability: BHEL (and any others for whom Services are provided) shall not recover from the bidder, in contract or tort, under statute or otherwise, any amount with respect to loss of profit, data or goodwill, or any other consequential, incidental, indirect, punitive or special damages in connection with claims arising out of this Agreement or otherwise relating to the Services, whether or not the likelihood of such loss or damage was contemplated. BHEL (and any others for whom Services are provided) shall not recover from the bidder, in contract or tort, including indemnification obligations under this contract, under statute or otherwise, aggregate damages in excess of the fees actually paid for the Services that directly caused the loss in connection with claims arising out of this Agreement or otherwise relating to the Services.	-	No change. Tender document clauses to continue.
	b. Report: Any information, advice, recommendations or other content of any reports, presentations or other communications we provide under this Agreement ("Reports"), other than BHEL Information, are for BHEL's internal use only (consistent with the purpose of the particular Services) including BHEL's board of directors, its audit committee, or its statutory auditors and not for disclosure externally outside your organization. BHEL may not rely on any draft Report and the bidder shall not be required to update its Final Report.	-	Being a Public Sector Undertaking, the use of these 'Reports' can not be pre-determined.

	c. Termination: Either Party may terminate this Agreement with immediate effect by serving prior written notice to the other party if services are not possible to be rendered as per applicable laws or professional obligations. Upon termination the bidder shall be entitled to receive payments of the Services performed, work in progress and expenses incurred by it, till the date of such termination.	-	No change. Clause 16 on page 18 of the Tender document on the similar issue is self explanatory
	d. Confidentiality obligations under this Agreement imposed on the bidder shall be valid for a period of 3 years post termination of the work allotted.	-	No change. Declaration certificate -II on page 28 of the Tender document is self explanatory.
2	What format or type of certificate is required towards Ind AS compliance financial statements since for the firm, it is difficult to issue any certificate towards compliance of Ind AS financial statement.	Part A (Scope of Work) on Page 9, Point 6 and Point 6 on Page 25.	The certificate should meet the requirement of para 16 of Ind AS 1 for enabling BHEL to make an explicit and unreserved statement of compliance in the Notes. Para 16 of Ind AS1 reads as follows : An entity whose financial statements comply with Ind ASs shall make an explicit and unreserved statement of such compliance in the notes. An entity shall not describe financial statements as complying with Ind ASs unless they comply with all the requirements of Ind ASs.
3	Is security deposit to be submitted once the tender is awarded. If yes, then whether the format for BG should be left blank?	Page 30, 31 and 32.	Yes
4	What is meant by Reverse Auction?	Page 23, Point 26 and Page 33, Annexure - RA	Refer Annexure 'RA' on page 33 of the Tender document
5	How many number of clients in case of list of clients are required to be given?	Pre-qualification requirements on Page 11, Point 3.	The minimum requirement is one client. However, In case any firm has undertaken job of audit of annual accounts of listed co. as per PQR for more than one client, the same can also be enclosed.
6	Is there any standard format for list of clients to be provided?	Pre-qualification requirements on Page 11, Point 3.	No.
7	In Un-Priced bid, any rate to be quoted or only tick is to be done for e.g. whether we need to mention service tax rate as 14% or simple need to put a tick if the service tax rate has been considered in Price Bid (Part-II)?	Page 29	Bidder has to only tick (v) on either Yes or No. The service tax rate is to be mentioned in Price Bid only.
8	Is there any index or format in which documents are required to be submitted?	-	Kindly refer sl.no. 1 on page 6 of the Tender document which reads as 'All documents submitted by the Tenderer in his tender shall be duly signed by authorized signatory and accompanied with a covering letter giving index interlinking all the documents.'
9	Entire tender to be signed (i.e. all 36 pages)?	-	Yes

10	Tender to be submitted physically and there is no online portal for the same.	-	Tender is to be submitted physically. There is no online portal.
11	<p>Pre-Qualifying Requirements: 2(a) Copy of job orders or Letter of engagements as Consultant for implementation of IFRS/IAS or Ind AS;</p> <p>Query : Due to confidentiality clause in such job orders and letter of engagement letters we will not be able to submit the copy of such documents. In our view requirement for Sr. No.2(b) as mentioned below should be sufficient for this</p> <p>2(b) In case of the IFRS/IAS copy of satisfactory performance/completion of services from the clients;</p> <p>Query :As you are aware that In India most of conversion assignments are in progress and have not been completed in full. In this scenario we propose to submit the copy of our audit reports for the clients who prepare their financial statements in accordance with IFRS. This can be considered as an evidence that we have experience in terms of IFRS</p> <p>we propose to provide you the following documents:</p> <p>Documents for Sr. No. 2 of the Pre-Qualifying requirement: the copy of the LOI wherever available, In case the copy of LOI is not available, we propose to submit the first and the last page of the engagement letter. In regard to the copies of the PL meeting the turnover criteria, we propose to submit the unsigned print out of the PL available in the Public Domain.</p>	PQR clause 2	<p>Clause 2 of the Pre-Qualifying Requirement (PQR) requires the firm should have the experience of implementation of IFRS or in the process of implementing Ind AS. The bidder to submit documentary evidences as sought for in the tender document meeting the PQR to the satisfaction of BHEL . In case copy of satisfactory performance/completion of services from the clients are given, that will meet the requirements of clause 2(a) and 2(b) of PQR.</p> <p>The bidder's audit report for the clients do not meet the minimum requirement as per PQR.</p> <p>Copy of LOI/Engagement letter for 2(a) and Profit & Loss account available in the public domain for 2(c) would meet the requirement. Related pages of the Engagement letter confirming the requirement of PQR would also be acceptable.</p>
12	<p>Sr. No, 3 of the Pre-Qualifying Requirements- List of Clients with Audited P&L a/c in support of meeting Turnover criteria</p> <p>Query : please clarify for how many clients you require such information</p>	PQR clause 3	The minimum requirement is one client. However, In case any firm have undertaken job of audit of annual accounts of listed co. as per PQR for more than one client, the same can also be enclosed.