

Clarification on BHEL (Bharat Heavy Electricals Limited) Tender for ' Appointment of Professional Consultant for Implementation of Indian Accounting Standards (Ind AS)
sought by bidders

NIT No. : BHEL:FIN:AC:Ind AS:2015-16 Dated 25-08-2015

Sr. No.	Query	Reference to tender document	BHEL Comments
13	Preparation of quarterly financial statements Query :Please clarify whether the quarterly financial statements have to be standalone or consolidated. We understand that the reference to SEBI requirements is current SEBI requirements.	Part B:	The Part B of the scope of work provides : Preparation of quarterly financial statements for SEBI requirements: The Consultant to assist and guide in preparation of quarterly financial statements to be published as per the requirements of SEBI for the financial year 2016-17 along with previous year figures based on the formats/guidelines, if any, issued in this regard by SEBI. The scope of work refers to the SEBI requirements for Standalone and/or consolidated as the case may be, during the course of implementation of Ind AS.
14	1. At least Seven Professionals with CA and/or CPA qualification. The professionals should have expertise in IFRS/IAS/Ind AS fields. Query :1. In the minimum requirements of the 7 professionals, there is no specific format provided for the details to be provided. We understand that a brief CV of the relevant professionals submitted as part of the bid document is sufficient to meet the criteria. Please confirm.	Pre-qualifying requirements (Minimum requirements)	Agreed
15	At least 4 job of implementation of IFRS or in the process of implementing Ind AS in India in respect of different companies each having annual turnover of at least Rs. 7500 crore in the year of implementation of IFRS OR in the previous year of implementing Ind AS, as the case may be. Query :We will not be able to provide the work order / contract agreement because of confidentiality reasons. However, we will be able to provide first page of Letter of engagement stating the name of the entity and last page showing signature. Please confirm if this is acceptable.	Pre-qualifying requirements (Minimum requirements)	Relevant pages of the Engagement letter confirming the requirement of PQR would be acceptable.
16	3. The firm should have undertaken job of Audit of Annual Accounts of a listed Indian Company (whose avg. annual turnover is at least Rs. 7,500 crore in prev. 3 years) Query :We are the auditor of IFRS / US GAAP financial statements of companies listed in India. We understand that the audit reports of such entities for audit of their US GAAP / IFRS financial statements will be sufficient to meet these requirements. Please confirm.	Pre-qualifying requirements (Minimum requirements)	Agreed

17	<p>We further declare that to the best of our knowledge and belief we have not been banned or de-listed by any PSU/Government Department/Financial Institution/Professional body/Court and no case is pending with the police/court against our firm or its partner or the company in professional capacity.</p> <p>Query :Considering the large number of clients which we work with across India, we request that the declaration required as per the clause be amended as follows: ""We further declare that to the best of our knowledge and belief we have not been banned or de-listed by any PSU/Government Department/Financial Institution/Professional body/Court and no case is pending with the police/court against our firm or its partner in professional capacity." Please confirm if the same is fine with you.</p>	Annexure B Declaration Certificate-I	No change. Declaration Certificate-I of the Tender document to continue. The Declaration certificate is to be given based on the status of the bidder being a Firm or company.
18	<p>Query :The tender document does not contain any clause on limitation of liability. Please limit our liability to one time the fees we will receive from BHEL <u>under this mandate.</u></p>	Limitation of liability	No change. Tender document clauses to continue.
19	<p>Price bid requires a quote for Part A and quote for Part B and Part C is derived as a percentage of the quote for Part A.</p> <p>Query :The price bid formula considers a pre-determined percentage for the purpose of calculation of per quarter price and price in relation to trainings. The above mentioned formula will not lead to fair compensation for the efforts required to be put in to complete the work. We should be allowed to quote a fee which we believe is a fair compensation for our efforts without restricting it to an pre-determined percentage.</p>	Price bid evaluation	No change. Tender document clauses to continue.
20	<p>BHEL reserves the right to go for reverse auction.</p> <p>Query :Since the services to be provided under the contract are of a professional nature and require deep understanding and expertise of complex matters, a reverse auction may not lead to the best services being provided. We suggest that the tender should be decided purely on techno-commercial basis as is the practice in all other similar tenders.</p>	26. Reverse Auction	No change. BHEL reserves the right to go for Reverse Auction (RA) instead of opening the sealed envelope price bid, submitted by the bidder. This will be decided after techno-commercial evaluation. Tender document clauses to continue.
21	<p>Componentization of assets</p> <p>Query :we understand that componentization is not a part of this scope of work. Please confirm.</p>	Componentization	As per scope of work, the Consultant need to review our practice with reference to Fixed Asset (useful life and residual value) and Depreciation and suggest any changes to make it <u>Ind AS compliant.</u>