बैंक ऑफ महाराष्ट्र
Bank of Maharashtra
भारत सरकार का उद्यम
एक परिवार एक बैंक

Bank of Maharashtra

Response to pre-bid queries to Request for Proposal For

Engagement of consultants for “Implementation of IFRS converged Indian accounting standards (Ind AS)”

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1. INTRODUCTION

The Bank had issued the Request for Proposal (Tender Reference # 062016 dated August 03, 2016) to the bidders for the "Engagement of Consultants for Implementation of IFRS converged Indian accounting Standards (IND AS)". As per the terms of the RFP document a pre - bid meeting was held on August 11, 2016 at Bank of Maharashtra, Lokmangal, 1501, Shivaji Nagar Pune – 411005

This document covers additions, corrections and clarifications to the queries raised by the Bidders, as well as other additional information which Bank considered essential to be furnished to the Bidders to gain a better understanding of the Bank's requirements as part of the RFP. All efforts have been made to provide the maximum available information and answer the pre-bid queries submitted by the Bidders. The Bidders are required to consider the information provided in this document as the latest guidelines.

The Bidders have been provided with the clarifications and details through this document. However the questions pertaining to details that were already provided in the RFP, have not been answered. Please treat this document including the entire Pre-Bid Queries Responses provided by the Bank as an integral part of the RFP document issued. Only the sections, clauses, terms referred in this document are revised/updated to the extent revised/clarified. All other terms and conditions of the RFP document remain unchanged.

2. RESPONSES / CLARIFICATIONS FOR THE PRE-BID QUERIES RAISED BY THE BIDDERS IN PRE-BID MEETING IN ADDITION TO CORRIGENDUM ISSUED ON 16.08.2016

1) Table-QR-1, refers to Bank's response as "clarification" to the bidder's queries

Table-QR-1

Sr. no.	Page no.	Section no.	Main Section Name	Terms as stated in the RFP document	Queries/ Suggestions	Bank's Response/ clarification
1	2	3.1	Scope of the assignment	2. Diagnostic analysis of differences between the current accounting framework and Ind AS. Likely Impact analysis of Ind AS implementation on Business including profit planning and budgeting, taxation, capital planning, impairment of assets, credit decision making and impact on capital adequacy, De-conjunction of assets / liabilities, accounting areas such as financial instruments, revenue recognition, property, plant and equipment, leases, employee benefits, deferred taxes, consolidation, provisions etc. besides reporting formats and disclosures. Suggesting strategies for optimizing the impact.	Please provide further explanation on De-conjunction of assets/Liabilities.	Please read it as Derecognition of assets / liabilities
					Also, we suggest deletion of the scope of work related to credit decision making and impact on capital adequacy as this would substantially increase the efforts and fee estimate.	Term of the RFP Stands

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2	2	3.1	Scope of the assignment	8. A preparation of Benchmark accounting policies including group accounting policies against industry peers and to assist in framing Business Model of the Bank	Please elaborate on scope and purpose of "framing Business Model of the Bank". We suggest removal of this scope.	The consultant has to provide assistance in framing the business model. The business model will be prepared by the Bank.
3	3	3.1	Scope of the assignment	Phase II – Processes / System Changes 6. Evaluate system changes – assessment of processes requiring changes	Please clarify the expectations from the bidder on "assessment of processes requiring changes". We understand the bidder is not expected to prepare revised processes, but only provide guidance. Please confirm.	The consultant has to evaluate the system and process that needs to be changed / realigned as per requirement of Ind-AS and RBI guideline
4	3	3.1	Scope of the assignment	Phase II – Processes / System Changes 5. Assist & guide the Bank in redesigning the credit assessment process, credit rating policies, models and other policies which may undergo change in Ind-AS environment. Training shall be imparted to concerned officers on development of credit appraisal and credit risk assessment model under Ind-AS	We suggest deletion of this paragraph as this will increase the scope and fee estimate significantly.	Term of the RFP Stands The consultant has to verify the existing credit assessment process, model, and policies and assist in developing the same in order to make it Ind-AS compliant.
5	4	3.1	Scope of the Assignment	Phase II – Processes / System Changes	Assuming the Bank expects a guidance of the ECL model methodology developed internally, please help with responses for the following queries:	The Consultant is required to guide the Bank on implementation of IND AS 109 in addition to all the other Ind-AS

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				11. To assist & provide guidelines for developing expected credit loss model and impairment model / computation to be done by bank considering the IFRS / Ind-AS requirements and to validate as well as verify the same.	• Can the approach be based on 2 sets of iterations of reviews – 1st review of the ECL methodology developed, and 2nd review of the ECL methodology updated based on the results of the 1st review?	The Consultant shall be required to give inputs to build the said models and verify and validate the output from such models. The development part of the models will be undertaken by the Bank, with the assistance and guidance of the Consultants.
					• The ECL review is assumed to be against the Ind AS 109 requirements, and not leading practices; please confirm	
					• Optimization of the ECL methodology is not expected, and only a guidance for compliance with Ind AS 109 requirements; please confirm.	
6	4	3.1	Scope of the assignment	Phase III - Generation of Ind AS Financials (both standalone and consolidated) including Disclosures	We understand that separate financial statements for subsidiaries, associates and JVs are not separately required for this purpose. The support is required only for consolidation purpose. Please confirm.	Yes. The consultant has to ensure that information derived from subsidiaries and associate for consolidation are IND-AS complied
7	4	3.1	Scope of the assignment	Phase II – Processes/ System Changes	Please explain the exact expectation from the clause	The consultant has to assist the Bank for

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				8. Assist the bank in dry –run of accounting systems and end-to-end reporting process before the actual conversion.	Our understanding is that bidder is expected to provide inputs for the changes to be done to IT systems and validate / verify the outputs once these changes are carried out by the Banks's IT team / banks vendors	checking the efficacy of the accounting system, end to end reporting process in order to get desire results / reports / statements in compliance with Ind-AS and RBI guidelines before the actual conversion.
8	4	3.1	Scope of the assignment	Phase II – Processes/ System Changes 17. To provide diagnostic report for changes to be carried out in IT systems and Reporting Systems and verify and validate the output of the changes. The consultant shall provide assistance and guidance in developing ECL and default model and to validate the report/ output generated through above models	Point no. 17 of Phase II seems to be the repetition of Point no 11 in Phase II and point no 6 of Phase I. Request you to delete the repetitive clauses	RFP Term stands

Sr. no.	Page no.	Section no.	Main Section Name	Terms as stated in the RFP document	Queries/ Suggestions	Bank's Response/ clarification
9	6	3.1	Scope of the assignment	Phase IV – Validation of Ind AS financials and Assistance during Review a) Assist the Bank in replying to the queries, if any, raised by Reserve Bank of India (RBI) / IBA / MOF / any other regulatory authority and Statutory Auditors of the Bank in respect of Ind AS financials	Need clarity on validation of Ind AS financials and assistance during review phase wherein assistance is required to reply queries of Statutory auditors or interaction with the steering committee / top management / board and provide interim solutions for Bank of Maharashtra. What is the timeline for such services? Please also specify periodicity for such discussions / meeting. Also what is periodicity consultant need to update to bank on new developments?	The consultant is expected to assist the Bank in the preparation of Ind-AS complied financial statements and validate and verify the same. Time lines are mentioned in the Terms of Reference i.e. till March 31, 2019. The consultant is expected to assist the bank in interaction with the RBI / IBA / MOF/ Statutory auditors / interaction with the steering committee / top management / board, on queries raised by then and also provide interim solutions for Bank of Maharashtra as and when required. The new development will be updated to management as and when it is incorporated in IND-AS or RBI guidelines.
10	8	4	Tenure of the	If the consultant fails to complete	Please amend the clause as follows-	RFP Term stands.

Sr. no.	Page no.	Section no.	Main Section Name	Terms as stated in the RFP document	Queries/ Suggestions	Bank's Response/ clarification
			assignment	the above scope of work of this assignment as per the time frame prescribed in the RFP and extension if any allowed, it will be treated as a breach of contract	If the consultant fails to complete the above scope of work of this assignment as per the time frame prescribed in the RFP **(for reasons attributable to the consultant)**and extension if any allowed, , it will be treated as a breach of contract	Please refer point no 11.21 of RFP
11	9	5.1	Eligibility Criteria	Documents to be submitted for Sr. no. 2 Client references from organizations Clearly indicating the scope of engagement, period of engagement and name of person in-charge of client side with contact number and email ids	Please confirm whether Engagement letter/contract copy will serve the requirements as these are ongoing engagements.	Yes
12	16	10 (iii)	Evaluation criteria	1. “Engaged in IFRS / Ind AS conversion exercise and/or audit during the last 7 years as on the date of bid submission, in Banks / Financial Institutions in India with a minimum Balance Sheet size of Rs. 50,000 crores during the period of”	Evaluation parameter of Sr. no 1 of scoring methodology is not complete. Please specify the period.	It should be read as "during the period of contract" as against "during the period".
13	16	10	Evaluation criteria	“For additional such conversion exercise /audit under IFRS/ Ind AS in Bank/Financial Institution - 5”	Marking system of Sr. no 1 of scoring methodology is not complete. Please provide the complete details.	Term of the RFP Stands.

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14	17	10 (iii)	Evaluation Criteria	2. i) "Professional Staff" means full-time staff with minimum qualification of Chartered Accountant and on the payroll of the bidder.	Will the bank consider partner and professional staff who are qualified CA's but are not associated with the work of accounting advisory and audit services ?	Term of the RFP Stands
				ii) List of Partners and professional staff with their Membership Number to be provided (in self declaration as per Point No 7 of	If a bidder is not a CA firm, there could be partners and professional staff who are qualified CA's but are not engaged in accounting advisory / assurance services, such professionals may be dedicated for other services not linked to the RFP's scope. Hence comparison of the no. of partners and professionals of CA firm with that of no. CA firms would not be a fair comparison.	
					We request the bank to consider no.of partners and professional staff who are dedicated for accounting advisory and assurance services.	
					Point no (i) of the definition of Professional staff seems to be missing.	
15	20	11.10	General Terms and conditions of the contract	Payment Terms	Considering that the majority of work will be done in initial phases (including proforma financials), request to reallocate 20% of contract value for Phase 1 and 10% to Phase IV .	Term of RFP stands The word Audit Removed as per corrigendum
				Bank will release payment of the agreed professional fees to the selected bidder after deduction of applicable taxes at source. The payment schedule will be as follows:		
				Phase 1 – 10%		
				Phase IV – 20%		

Sr. no.	Page no.	Section no.	Main Section Name	Terms as stated in the RFP document	Queries/ Suggestions	Bank's Response/ clarification
16	23	11.16	General Terms and conditions of the contract	Indemnity	Please delete this clause as the same is not permissible as per our Firm's policy.	Term of RFP stands
17	25	11.18	General Terms and	Confidentiality Clause	The Bank may like to add the following to the existing clause	Term of the RFP Stands

Sr. no.	Page no.	Section no.	Main Section Name	Terms as stated in the RFP document	Queries/ Suggestions	Bank's Response/ clarification
			conditions of the contract		"Except as otherwise permitted by this Agreement, neither of the parties may disclose to third parties the contents of this Agreement or any information provided by or on behalf of the other that ought reasonably to be treated as confidential and/or proprietary. Parties may, however, disclose such confidential information to the extent that it: (a) is or becomes public other than through a breach of this Agreement, (b) is subsequently received by the receiving party from a third party who, to the receiving party's knowledge, owes no obligation of confidentiality to the disclosing party with respect to that information, (c) was known to the receiving party at the time of disclosure or is thereafter created independently, (d) is disclosed as necessary to enforce the receiving party's rights under this Agreement, or (e) must be disclosed under applicable law, legal process or professional regulations. These obligations shall be valid for a period of 3 years from the date of termination of this Agreement."	
18	26	11	General Terms and	11.19 Termination of Contract	The Bank may like to add the following to the existing clause –	Term of the RFP Stands

Sr. no.	Page no.	Section no.	Main Section Name	Terms as stated in the RFP document	Queries/ Suggestions	Bank's Response/ clarification
			conditions of the contract		"Either Party may terminate this Contract 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 Consultant shall be entitled to receive payments of the Services performed, work in progress and expenses incurred by it, till the date of such termination."	
19	27	11	General Terms and conditions of the contract	11.22 Penalty	We request you to cap the penalty to 10% of the total fees for reasons attributable to consultant.	Term of the RFP Stands
				The proposed rate of penalty would be based on the agreement between Bank and selected bidder during agreement finalization. Overall cap for penalties will be 25% of the contract value.	10% cap is a standard industry practice in public sector banks. Also request the penalty to be computed at 1% per week of delay solely attributable to consultant.	
20	27	11.23	General Terms and conditions of the contract	Resolution of Disputes	Request you to change the venue & jurisdiction of the arbitration to New Delhi.	Term of the RFP Stands
				The Arbitration and Reconciliation Act 1996 shall apply to the arbitration proceedings and the venue & jurisdiction of the arbitration shall be Pune, Maharashtra.		
21	27	11.25	General	Governing Law/Regulation	Request you to change the exclusive	Term of the RFP Stands

Sr. no.	Page no.	Section no.	Main Section Name	Terms as stated in the RFP document	Queries/ Suggestions	Bank's Response/ clarification
			Terms and conditions of the contract	The Agreement / Contract shall be governed by and construed in accordance with the laws in India and shall be subject to the exclusive jurisdiction of the Courts of Pune.	jurisdiction of the Courts to New Delhi.	
22	41	22	Annexure K: Non-Disclosure Agreement	1. Definition of Confidential Information	Request you to amend the clause as follows-	Term of the RFP Stands
				"For purposes of this Agreement, "Confidential Information" means any data or information that is confidential or proprietary to the Bank and not generally known to the public, whether in tangible or intangible form, whenever and however disclosed, including…."	"For purposes of this Agreement, "Confidential Information" means any data or information (marked as confidential) that is confidential or proprietary to the Bank and not generally known to the public, whether in tangible or intangible form, whenever and however disclosed, including…."	
23	43	22	Annexure K: Non-Disclosure Agreement	5. Term	Request the Bank to amend the clause as follows-	Term of the RFP Stands
				This Agreement shall remain in effect for a *(* duration of the Original Agreement plus 10 years) (subject to a one year extension if the parties are still discussing and considering the Transaction at the end of the fifth year). Notwithstanding the foregoing, the parties' duty to hold in confidence Confidential Information that was disclosed during term shall remain in effect indefinitely.	"This Agreement shall terminate upon the earlier of (a) the expiry of twelve months from the date hereof, or (b) the execution of a definitive agreement between the parties in furtherance of the Purpose."	
24	43	22	Annexure K: Non-	7. Return of Confidential Information	The Bank may like to add the following	The said will be taken care during agreement with

Sr. no.	Page no.	Section no.	Main Section Name	Terms as stated in the RFP document	Queries/ Suggestions	Bank's Response/ clarification
			Disclosure Agreement		"However, Receiving Party shall have a right to retain its working papers or to maintain proper professional records."	successful bidder
25	44	22	Annexure K: Non-Disclosure Agreement	10. Warranty	The Bank may like to add the following "The disclosing Party shall remain completely responsible for the accuracy of the information provided and also ensure that no third party rights are infringed by while sharing such information with Receiving Party."	Term of the RFP Stands
26	42	22	Annexure K: Non-	Clause 1 – Definition of confidential information	Bank may like to add the following clause under clause 1 (b) (v):	Term of the RFP Stands

Sr. no.	Page no.	Section no.	Main Section Name	Terms as stated in the RFP document	Queries/ Suggestions	Bank's Response/ clarification
			Disclosure Agreement		Clause 1(b)(vi) - Unless prohibited by applicable law, the Receiving Party may disclose Confidential Information to other Network Firms, (Network Firms shall mean member firms of Ernst & Young Global Ltd), Firm Persons (Firm Persons shall mean sub-contractors, members, shareholders, directors, officers, partners, principals or employees of the Receiving Party) and its IT service provider providing services to comply with regulatory requirements, to check conflicts, for quality, risk management or financial accounting purposes and / or for the provision of other administrative support services. The Receiving Party, however, shall be responsible to the Company for maintaining the confidentiality of the Confidential Information	
27	48	23	Annexure L: Integrity Pact	6. Sanctions for Violations	Please confirm the amount/proportion of Performance Bond required	Please refer to para no 9.2 of RFP
				6.1.2. The Earnest Money Deposit (in pre-contract stage) and /or Security Deposit / Performance Bond (after the contract is signed) shall stand forfeited either fully or partially, as decided by the BUYER and the BUYER shall not be required to assigning any reason therefore.		

Sr. no.	Page no.	Section no.	Main Section Name	Terms as stated in the RFP document	Queries/ Suggestions	Bank's Response/ clarification
28	2	3.1	Terms of Reference	7. Work collaboratively with Bank Management throughout the project for its timely and smooth implementation enabling the Bank to draw its accounts under Ind As within the timeframe and schedule as prescribed by Reserve Bank of India from time to time	This is open ended as there is no clear distinction in the responsibilities of bank management and consultant. This may pose challenges to agree on the scope.	The consultant has to work with the Management for successful & timely implementation of Ind-AS. For responsibilities of the consultant please refer terms of reference
29	3	3.1	Terms of Reference	11. Formulate ongoing training strategy and train implementation team of the Bank and other group entity staff in this regard	Does the training have to be conducted at the subsidiary level as well? Please confirm.	Yes. Since under Ind-As the bank has to prepare IND-AS complied consolidated financial results
30	4	3.1	Terms of Reference	10. Refine training strategy and formulate education content for Ind-AS implementation teams.	How comprehensive should the education content be? Please confirm.	The consultant has to assess the training requirement (including content of training) of the Ind-AS implementation team as well the bank's key functional departments which are being affected by the implementation of Ind-AS
31	6	3.1	Terms of Reference	d) Provide guidance, suggestions on new developments or on any other matter in Ind AS up to one year from preparation/ Audit of first Ind AS compliant financial statements for the period ended March 2019.	This is open ended and may pose challenges to agree on the scope at the time of finalizing the contract.	Term of reference stands

Sr. no.	Page no.	Section no.	Main Section Name	Terms as stated in the RFP document	Queries/ Suggestions	Bank's Response/ clarification
32	6	3.1	Terms of Reference	f) The above list is inclusive and not exhaustive i.e. Terms of reference shall include providing professional assistance for all activities required for the successful Implementation of Ind AS for preparation of financials Standalone and Consolidated as per RBI/MCA /ICAI and SEBI guidelines as and when issued and formulation of related policies in Bank of Maharashtra	This is open ended and may pose challenges to agree on the scope at the time of finalizing the contract. RFP response will cover the scope that is set out in detail in the RFP document.	The Ind-AS is being implemented first time in Banks in India hence the terms of reference are only guiding factors and not exhaustive. The overall objective is to effective and timely implementation of Ind-AS in the Bank as per guidelines of ICAI and RBI.
33	6	3.1	Terms of Reference	Provide guidance on new items and implement improvements and suggest system specifications, if any	Please clarify the extent of guidance to be provided.	The consultant has to provide all guidelines for effective and timely implementation of Ind-AS
34	11	Para 5.3.2. sub para (i)	Conflict of Interest	Conflicting assignment/job: The consultant (including its personnel) or any of its affiliates and member firms shall not be hired for any assignment/job that, by its nature, may be in conflict with another as assignment/job of consultancy to be executed for the same and/or for another employer.	Kindly clarify what would be considered as a conflicting assignment/job? Whether we as an independent consultant would be prohibited from performing similar engagement with another bank/client?	The Bank has no objection for undertaking similar engagement with other bank/client provided it does not affect the job assigned by the bank.

Sr. no.	Page no.	Section no.	Main Section Name	Terms as stated in the RFP document	Queries/ Suggestions	Bank's Response/ clarification
35	11	Para 5.3.2. sub para (ii)	Conflict of Interest	Conflicting relationships: The consultant (including its personnel) having a business or family relationship with a member of Bank of Maharashtra's staff who is directly or indirectly involved in any part of (i) the preparation of the terms of reference of the assignment/job, (ii) the selection process for such assignment/job, or (iii) supervision of the contract, may not be awarded a contract, unless the conflict stemming from such a relationship has been resolved in a manner acceptable to Bank of Maharashtra throughout the selection process and the execution of the contract.	Kindly clarify that the consultant (including its personnel) means only those employees of the bidder who will be involved in the provision of the services under the contract, in case the contract is awarded to the bidder.Further, kindly confirm the term "family relationship" would only mean spouse, parents and children of such employees of the bidder who will be involved in the provision of the services under the contract, in case the contract is awarded to the bidder.	This clause covers the consulting firm and its employees Family relationship in relation to an individual, means any lineal ascendant or descendant of that individual, inter alia, including spouse, son (including step son) son's wife, son's son's wife , Son's daughter's husband, daughter (including step daughter), daughter's husband,daughter's son's wife , daughter's daughter's husband, brother (including step brother), brother's wife , sister (including step sister , sister's husband of self and spouse, father, mother including step mother and members of HUF.

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36		Important information regarding Bid submission	INVITATION FOR TENDER OFFERS	The eligible bidders, who would qualify as per the eligibility criteria in Clause 5 would be informed by the Bank through e-mail. Subsequently, these eligible bidders would be invited for presentation to the appointed internal committee.	What is expected in that Presentation?	The presentation should cover the key issues involved, strategies to resolve such issues and other important factors involved in Ind-AS implementation as well as brief introduction of the firm
37			DISCLAIMER	Each bidder should conduct its own independent investigation and analysis and is free to check the accuracy, reliability and completeness of the information in this RFP document and where necessary obtain independent information.	We are bidding based on the RFP so we should not rely on the accuracy, adequacy, correctness, completeness or reliability of the RFP. We request you delete this para.	The para is self-explanatory

Sr. no.	Page no.	Section no.	Main Section Name	Terms as stated in the RFP document	Queries/ Suggestions	Bank's Response/ clarification
38	8	Para 4	Tenure of the assignment	This assignment is expected to be completed before the due date of first reporting (under Ind AS) after acceptance of this assignment. The term may be extended, solely at the discretion of Bank, only on satisfactory review of the first reporting, for such period as may be decided by the Bank. Any extension of the completion date due to unforeseen delay will be by mutual consent. In case Bank desires to seek further support in implementation or wants to extend the scope of this project, beyond the above scope, it may at its discretion, extend the duration of the project at similar commercial terms(or on such commercial terms mutually agreed between the Bank and the consultant). If the consultant fails to complete the above scope of work of this assignment as per the time frame prescribed in the RFP and extension if any allowed, it will be treated as a breach of contract. The Bank reserves the right to cancel the order in the event of delay. Consultant must provide professional, objective and impartial advice at all times and hold the Bank's interest paramount, without any consideration for future work, and strictly avoid conflicts with other assignments or their own corporate interests.	Kindly confirm that we shall finalize the terms of contract to be executed on mutually acceptable conditions.	Term of reference stands

Sr. no.	Page no.	Section no.	Main Section Name	Terms as stated in the RFP document	Queries/ Suggestions	Bank's Response/ clarification
39	23	Para 11.16	Indemnity	The bidder agrees to indemnify and keep indemnified, defend and hold harmless the Bank and its officers, directors, employees and agents from and against any and all losses, liabilities, claims, obligations, costs, expenses (including, without litigation, reasonable attorney's fees), arising before or after completion of implementation of the assignment, which result from, arise in connection with or are related in any way to claims by third parties arising out of or in connection with	We would request you to limit the indemnification to one-time of the fees.	Term of reference stands

Sr. no.	Page no.	Section no.	Main Section Name	Terms as stated in the RFP document	Queries/ Suggestions	Bank's Response/ clarification
40	25 & 26	Para 11.18	Confidentiality Clause	The bidder shall hold in confidence all information, documentation etc. which come to their knowledge ('Confidential Information') and shall not disclose or divulgeconfidential information to any third party or use Confidential Information or any part thereof without prior written consent of bank.Confidential Information means information which is by its nature confidential or is designated by the bank as confidential and includes:All information marked or otherwise designated as confidential; Information which relates to the financial position; the internal management structure, the Personnel, policies and strategies of bank,Bank Data, customer lists, customer information, account information, and business information regarding business planning and operations of Bank, its Subsidiary and Associate or other information or data whether such data is permanent or otherwise; Any other information which the Bank specifically declares as confidential.The restriction imposed in this clause does not apply to any disclosure of information:a. Which at the material time was in the public domain other than by breach of this clause; orb. Which is required by law to be communicated to a person who is authorized by law to receive that information.The	We would request you to include the following: "The Consultant shall not disclose such Confidential Information to any third party without the Bank's consent except to the Banks's or Consultant's legal advisors solely for the purpose of obtaining legal advice, or as may be required by law, regulation, judicial or administrative process, or to the extent that such Confidential Information (A) shall have otherwise become publicly available (including, without limitation, any information filed with any governmental agency and available to the public) other than as the result of a disclosure by the receiving party in breach hereof, (B) becomes available to the receiving party on a non-confidential basis from a source other than the Bank which the Consultant believes is not prohibited from disclosing such information to it by obligation to the Bank, (C) is known by the receiving party prior to its receipt from the Bank without any obligation of confidentiality with respect thereto or (D) is developed by the Consultant independently of any disclosures made by the Bank to the Consultant of such information. In satisfying its obligations under the clauses 18 (a), each party shall maintain the other's Confidential Information in confidence using at least the same degree of care as it employs in maintaining in	Term of reference stands

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41	49	Para 6	Sanctions for Violations:	Any breach of the aforesaid provisions by the BIDDER or any one employed by its or action on its behalf (Whether with or without the knowledge of the BIDDER) shall entitled the BUYER to take all or any one of the following actions, wherever required :-	Include in para 6 – Kindly add the text in bold "..... be cancelled by giving the Consultant 30 days written notice to cure the any breach. In the event, the Consultant is unable to cure the breach within the stipulated time then the Bank in its discretion....." In Para 6, the Bank should provide the consultant 30 days written notice to explain his position and cure the breach.	Term of reference stands
42	9	Para 5.1 Sr No. 2	Eligibility Criteria	As per Engaged in IFRS / Ind AS conversion exercise and/or Audit during the last 7 years as on the date of bid submission, in Banks / Financial Institutions in India with a minimum Balance Sheet size of Rs. 50,000 crores during the period of contract (minimum 1 assignment)	Please clarify eligibility criteria is to be evaluated as on which date?	On the date of bid submission i.e. 24th August 2016
43	2	Phase I Point 3	Phase I – Diagnostic Study and Impact Analysis	Determination and validation of Group Structure based on the consolidation standards prescribed under Ind AS in consultation with the respective departments. Also determining any addition in group entity by examining the investment portfolio of the Bank/agreements as per requirements of Ind AS.	Which entities in Bank of Maharashtra Group are not expected to migrate to Ind AS?	Presently bank is having 1 subsidiary and 1 associate. The consultant has to decide the status of the other entities if any, for consolidation as per Ind-AS requirement

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44	2	Phase I Point 6	Phase I – Diagnostic Study and Impact Analysis	Conduct Ind-AS- impact assessment from the perspective of changes required in System Software / Hardware / IT information system / Reporting systems used by Bank.	Kindly confirm that impact assessment from the perspective of changes required in the IT systems would not involve drawing up a blue-print of the changes but only highlight the areas where modification in the IT systems for Ind AS implementation is required.	The consultant to provide diagnostic report with necessary inputs for changes in the System Software / Hardware / IT information system / Reporting systems / Models used by Bank.
45	2	Phase I Point 11	Phase I – Diagnostic Study and Impact Analysis	Formulate ongoing training strategy and train implementation team of the Bank and other group entity staff in this regard	Trainings: Kindly clarify your expectation on training requirements – no. of trainings and at different levels?	The Consultant has to assess training requirement and impart the training to the Ind-AS implementation team as well as Bank's key functional departments which are being effected by implementation of Ind-AS
46	4	Phase II Point 8	Phase II – Processes / System Changes	Assist the bank in dry –run of accounting systems and end-to-end reporting process before the actual conversion.	Kindly elaborate what is meant by "Assist the bank in dry-run of accounting system and end-to-end reporting process before the actual conversion"?	The consultant has to assist the Bank for checking the efficacy of the accounting system, end to end reporting process in order to get desire results / reports / statements in compliance with Ind-AS and RBI guidelines before the actual conversion

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47	20	Para 11.10	Payment Terms	Phase III (A) & (B) and Phase IV	You would appreciate that we have been requested to advise the Bank on quarterly financials but herein the payment terms are only on an annual basis. Kindly consider allowing little flexible payment terms on quarterly basis. You would appreciate that substantial effort (almost 95%+) will be completed by Phase III (including activities under Phase IV (a and d), hence we would appreciate that only a small portion of the fee (say 5%) be allocated to Phase IV.	Term of reference stands
48	4	3.1	Terms of Reference	ECL-Impairment Models: Expected Credit Loss Computation	Does the bank have any credit risk scorecards/rating models? If so, how many?	The details will be shared with the consultant during the study of existing systems and procedures
49	4	3.1	Terms of Reference	ECL-Impairment Models: Expected Credit Loss Computation	Does the bank have any IRB compliant PD,LGD and EAD models? If so, how many?	The details will be shared with the consultant during the study of existing systems and procedures
50	4	3.1	Terms of Reference	ECL-Impairment Models: Expected Credit Loss Computation	Please clarify the number of products that the bank has for which ECL models need to be developed.	The details will be shared with the consultant during the study of existing systems and procedures
51	4	3.1	Terms of Reference	ECL-Impairment Models: Expected Credit Loss Computation	Please clarify the number of years of historical data available	The details will be shared with the consultant during the study of existing systems and procedures

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52	3	4	Phase II – Processes / System Changes	Assist the Bank in formulation and validation of policies and processes compliant with Ind AS requirements which includes amongst others:	Kindly clarify what is expected in "Validation" as it has been used at different places. • Are you expecting us to perform an audit or review for validation of numbers in Ind AS financials? • Are you expecting any report of validation? Both of the above will be difficult to provide as an advisor to the bank.	The consultant has to validate and verify reports generated through the systems / model / to make it IND-AS compliant and as per RBI guidelines.
53	9	5.1	Eligibility criteria	A self-declaration by the Bidder on Company's letter head.	Suggested change: A self-declaration by the Bidder to the best of its knowledge on Company's letter head.	Term of RFP stands
54	16	10 (iii)	Evaluation criteria	Marking System: For Number of partners and full time professional staff in India: 1 Mark each for every additional 10 Partners and 20 Professional staff in India - Max marks 5	Suggested to be replaced by: For minimum number of partners (C.A.) and full time Professional staff dedicated for Bank of Maharashtra: Partner having experience in implementation of IFRS 9 - Financial instruments for Indian or International Banks - 1 mark for each engagement (Max marks 5) Justification: Experience in implementation of crucial standard for banking sector by the dedicated team will result into smoother implementation at the Bank	Term of RFP stands
55	16	10 (iii)	Evaluation criteria	Marking System: For minimum number of partners (C.A.) and full time Professional staff dedicated for Bank of Maharashtra:	Suggested to be replaced by: For minimum 3 CA Professionals with Diploma in IFRS, UK certification.	Term of RFP stands

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				For minimum 3 CA Professionals	Justification:	
					Relevant educational certification will help in implementation at the Bank	
56	1	3.1	Scope of the Assignment	Migration of Bank of Maharashtra and its domestic subsidiary to IFRS Converged Ind AS as per Standards notified by MCA/ ICAI and RBI / SEBI/ Any other authority guidelines as and when issued	Kindly clarify whether scope includes all the phases for below entities as well:	Yes
					Subsidiary	
					Associate	
57	2	3.1	Phase I Diagnostic Study and Impact Analysis	Diagnostic analysis of differences between the current accounting framework and Ind AS. Likely Impact analysis of Ind AS implementation on Business including profit planning and budgeting, taxation, capital planning, impairment of assets, credit decision making and impact on capital adequacy, De-conjunction of assets / liabilities, accounting areas such as financial instruments, revenue recognition, property, plant and equipment, leases, employee benefits, deferred taxes, consolidation, provisions etc besides reporting formats and disclosures. Suggesting strategies for optimizing the impact.	We understand that in respect to taxation, we will be required to give advice on only tax impacts of Ind AS adjustments. Please confirm.	Yes

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58	3	3.1	Phase II – Processes / System Changes	Impact on taxation particularly deferred tax on Bank of Maharashtra and its subsidiary	We understand that the scope includes accounting for taxes and not computation of current taxes. Kindly confirm.	The consultant is expected to assist the Bank on overall taxation impact under Ind-AS environment
59	3	3.1	Phase II – Processes / System Changes	Assist & guide the Bank in redesigning the credit assessment process, credit rating policies, models and other policies which may undergo change in Ind-AS environment. Training shall be imparted to concerned officers on development of credit appraisal and credit risk assessment model under Ind-AS	Kindly provide details like: 1. Locations of training 2. Expected number of trainees 3. Expected number of sessions	The consultant has to assess training requirement and impart the training to the IND-AS implementation teams as well as the staff of Bank's Key functional departments which are being affected by the implementation of Ind AS. Location of training will be Pune & Mumbai
60	4	3.1	Phase II – Processes / System Changes	Review and provide qualitative inputs on Bank's Management's Discussion & Analysis and also updates to be incorporated in disclosure at the end of 31 March 2017.	Kindly elaborate the expectations with respect to inputs on Bank's Management's Discussion & Analysis	Para is self-explanatory
61	6	3.1	Phase III - Generation of Ind AS Financials	To Review and provide qualitative information to the Bank required for the purpose of preparation of Annual Report for the year ending March 31, 2019.	Kindly elaborate the expectations with respect to qualitative information for the purpose of preparation of 'Annual Report'.	Para is self-explanatory

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62	6	3.1	Scope of the Assignment	The above list is inclusive and not exhaustive i.e. Terms of reference shall include providing professional assistance for all activities required for the successful Implementation of Ind AS for preparation of financials Standalone and Consolidated as per RBI/MCA /ICAI and SEBI guidelines as and when issued and formulation of related policies in Bank of Maharashtra	We understand that the we are only expected to provide services in relation to accounting / reporting aspects for Ind AS implementation.	The Ind-AS is being implemented first time in Banks in India hence the terms of reference are only guiding factors and not exhaustive. The overall objective is to effective and timely implementation of Ind-AS in the Bank
63	6	3.1	Phase IV – Validation of Ind AS financials and Assistance during Review	Assessment for extracting the information required for submitting the returns to RBI DSB returns during above period.	We understand that the scope includes review of interfaces and systems required to extract the data from source systems and generate reports. Kindly confirm.	Assessment means review of existing system and suggest/provide inputs to modify the existing system to get IND-AS complied information / reports to be submitted to RBI
64	3	3.1	Phase II – Processes / System Changes	Recommend possible uniform accounting policies, procedures/ process for Bank of Maharashtra group along with implications of adopting them	Please confirm if the Bank has accounting manual in place for current accounting policies.	The information will be shared during implementation process
65	General Query			Overall Scope of the engagement	We request you to clarify that W.r.t to changes in IT system and ECL model development, scope shall be · To provide diagnostic report with necessary inputs for changes to IT systems and ECL model development	The Consultant is required to guide the Bank on implementation of IND AS 109 in addition to all the other Ind-AS The Consultant shall be

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					· The actual changes to IT systems shall be carried out by the bank through its IT vendors. Development of ECL model shall be done by the bank. · Development of ECL Model shall be done by the Bank. IND-AS consultant is to provide guidance on the ECL model	required to give inputs to build the said models / changes required in the IT system and verify and validate the output from such models/ It system/ Software . Changes in IT system will be carried by Bank. The development part of the models will be undertaken by the Bank, under the guidance and support of the Consultants.
66	General Query				We assume that consultant does not have to develop Business Requirement Documentation for potential updates to the systems / new systems? The scope of the consultant is to give diagnostic report for the changes to be done in IT systems. Please confirm the same.	Please refer the clarification given in point number 28 above
67	General Query				Based on reading of the Tender document, we believe that valuation exercise is not required from the Bidder (e.g. fair value of Financial Instruments (if any) etc.)? Bidder is only expected to provide guidance towards valuation. Please confirm.	The consultant is expected to do valuation for ascertainment of fair value as mentioned in Ind-AS and its impact on financial statements

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68	General Query				The scope includes "Validation of financials" & "Review" by the consultant for some areas. The consultant is expected to assist in preparation of Ind AS financials. Under ICAI regulations, the consultant would not be allowed to audit/review the numbers as only auditors are allowed to audit/review/validate the financials. Request to clarify that "validation/validate/review" will mean "guidance/assistance" across RFP..	The consultant has to validate financials in compliance with IND-AS however it would not be construed as external audit.
69	General Query				Please specify the number of applications in scope of work	The same will be shared with the consultant during the course contract
70	General Query				Please indicate whether all IT Infrastructure including data centres are present in Pune or is it located in different parts of the country.	The same will be shared with the consultant during the course contract
71	General Query				Limitation of Liability:	Term of the RFP Stands

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					Client (and any others for whom Services are provided) shall not recover from consultant, 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. Client (and any others for whom Services are provided) shall not recover from consultant, 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.	
72	General Query				Report:	

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					Any information, advice, recommendations or other content of any reports, presentations or other communications we provide under this Agreement ("Reports"), other than Client Information, are for Client's internal use only (consistent with the purpose of the particular Services) including Client's board of directors, its audit committee, or its statutory auditors and not for disclosure externally outside your organization. Client may not rely on any draft Report and consultant shall not be required to update its Final Report.	Term of the RFP Stands.
73	General Query			Phase II – Processes / System Changes	Assuming the Bank expects the vendor to develop the ECL model methodology, please help with responses for the following queries: • For the ECL computation methodology, can the consultant advise on the basic framework that is to be used for Ind AS compliance, and a more advanced methodology framework (as a documented framework, not implemented) for the longer term?	Regarding ECL and other models, please refer the clarification given in point number 28 above. The information will be shared with consultant at the time implementation exercise.

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					• What are the number of PD, LGD, EAD models and retail scorecards & retail pools that are in place currently? Please specify by portfolio type (Corporate, SME, Retail, Agri portfolio)	
					• Are parts of the portfolio not covered by rating models / scorecards / pools? If yes, please provide relevant details	
74	General Query			Phase II – Processes / System Changes	How many iterations and levels of training are expected as part of the proposed scope of work?	The consultant has to assess training requirement and impart the training to the IND-AS implementation teams as well as the Bank's Key functional departments which are being affected by the implementation of Ind AS.
				Phase III - Generation of Ind AS Financials (both standalone and consolidated) including Disclosures	What is the kind of support the Bank is expecting in computation of Expected credit loss for the period of assistance in Phase III?	Please refer the clarification given in Sr number 28 As above
				Phase IV – Validation of Ind AS financials and Assistance during Review	What is the kind of support the Bank is expecting in computation of Expected credit loss for the period of assistance in Phase IV?	Please refer the clarification given in Sr number 28 above.

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					Please clarify whether we need to sign and submit entire blank Tender document along with stamp/seal?Further, please clarify whether all updated Annexures need to be submitted on firm's letter head.	Yes.

~ End of document ~