

AIRPORTS AUTHORITY OF INDIA		
REPLY TO QUERIES ON THE NIT IN RESPECT OF THE NIT FOR IMPLEMENTATION OF IND AS IN AAI		
S. N.	QUERY	REPLY
1	Airport Authority of India (AAI) it is not a company registered under The Companies Act, 2013. Thus, corporate road map for Ind AS implementation issued by Ministry of Corporate Affairs (MCA) is not applicable to AAI. Kindly clarify why AAI is adopting Ind AS.	In order to maintain comparability with other CPSEs/Airports/organizations, maintain market confidence and with a view to adopt the best industry practices and to climb/maintain the rankings on corporate governance and transparency in financial reporting AAI voluntarily adopt the IND AS as per the timelines stipulated of MCA, GOI.
2	AAI have several joint ventures (JVs) and also has one subsidiary company. Kindly clarify the expectation of AAI from the bidder with respect to Ind AS conversion of JVs and a subsidiary company with respect to standalone financial statements.	AAI present status is as follows:- a) AAI has been enacted as a statutory authority under Airports Authority of India Act, 1994. Hence AAI Accounts are presented in the format as notified by the Government vide Notification No.815 dated 27 th March 2014 under Airports Authority of India (annual Report & Annual Statement of Accounts) Rules, 2014. b) The financial statements are prepared under historical cost convention on accrual basis as per generally accepted accounting principles and in accordance with the mandatory applicable accounting standards issued by ICAI.

		<p>c) Consolidation of Accounts are presently not mandatory i.r.o AAI. Hence Consolidation of Accounts is not done. Only Final Accounts of CHIAL being a subsidiary with 51% shareholding is annexed to AAI Accounts in Annual Report (available in AAI Website)</p> <p>Now it is proposed to adopt IND AS, for this purpose the tender has been floated. It is expected from the Consultant to carry on in-depth Analysis and advice AAI on Consolidation of Accounts with Associates/JVCs/Subsidiaries in the light of IND AS requirements.</p> <p>Hence the clause 3.1.1 (F) (page no.6 of NIT) is appearing in the scope of work 'Advice on consolidation of Accounts with Associates/JVCs/Subsidiaries etc'.</p>
3	We understand that the regional offices of AAI have accounting autonomy. Kindly clarify at which level IND AS will be implemented i.e. at regional office level or at central level (organization level).	AAI is working on ERP-SAP platform. There is a single book of Accounts for AAI as a whole, hence IND AS will be implemented at organizational level.
4	As part of this engagement, bidder is expected to undertake SAP ERP impact assessment from Ind AS and ICDS perspective. Bidder will undertake a diagnostic study for ICDS impacts. Recently, ICDS have been postponed by the Central Board of Direct Taxes (CBDT) by one year. It is expected that ICDS may undergo a change. Kindly clarify that ICDS diagnostic is to be undertaken based on the basis of revised	Refer clause 3.1.1 (d) of the NIT (page no. 6 of NIT).

	ICDS or pre-revised ICDS.	
5	Also, please clarify the expectation of AAI from the Bidder with respect to Ind AS and ICDS implementation changes in SAP ERP.	Refer clause 3.1.1 (d) of the NIT (page no. 6 of NIT).
6	Bidder will analyze the Fixed Asset Register (FAR) for identifying the assets with possible components which may be eligible to be depreciated separately from the main asset. However, actual separation based on valuation of the components will be a separate exercise from Ind AS implementation. Please clarify the AAI expectation from bidder with respect to exercise of componentization.	Refer clause 3.2. (a) of the NIT (page no. 8 of NIT). Detailed Guidelines may be provided for Componentization etc by the bidder. Based on the same actual separation will be done by AAI/Professional Valuers. However assistance and necessary clarifications should be provided for facilitating the same.
7	Please clarify on the total number of training days which are expected from the bidder on Ind AS for the staff of AAI. Also, clarify on the locations at which training needs to be imparted.	Initially three days training is proposed for AAI employees at Delhi. However also refer to clause 3.1.1(q) and 3.2 (b) of the NIT (page no.7 and 8 of NIT).
8	Standalone and consolidated financial statements are prepared for the 1 April 2015 (only opening balance sheet), 31 March 2016 (Comparative period), 31 December 2016 and corresponding comparative period and 31 March 2017. Kindly clarify on the same.	IND AS Compliant financial statements are required as follows:- a) 1 st April 2015 (Balance Sheet & Notes thereto) b) 31 st December 2015 (P&L and Notes thereto) c) 31 st March 2016 (Comparative Financial Statements) d) 31 st December 2016 (Financial Statements) e) 31 st March 2017 (Financial

			Statements)
9	Handholding for Ind AS project is required till August 2017 (approximately).		Refer clause 3 of the Profoma of Agreement (page 26 of the NIT).
10	Certification for Ind AS engagement will not be undertaken by bidder as bidder will not perform any audit procedures as a part of this engagement. Kindly clarify and confirm.		It is clarified that the Audit procedure is not part of the contract. However as stipulated in the NIT, Consultants are required to certify that the reports submitted are IND AS compliant financial statements.
11	Kindly provide the effective period for the confidentiality clause.		No change is proposed. Refer clause 4(a) and 4(b) of the Profoma of Agreement (page no. 26 of the NIT).
12	Bidder will consider the changes in the SOPs and accounting manual from Ind AS perspective and will not undertake the drafting of SOPs and accounting manual. Kindly clarify the expectations of AAI in detail.		Refer clause 3.1.1(a) , 3.1.1(q), 3.1.1(s), 3.1.1(t), 3.5(a) (page 6 to 10 of the NIT).
13	Considering the timeline of the project, bidder will be able to undertake only diagnostic study from Ind AS perspective and will not provide detailed accounting study		Scope of Work as detailed in the NIT has to be followed.
14	Considering the number of clarification on the bid, we request you to extend the time to submit the bid.		Refer Addendum No.1 to the NIT uploaded in AAI Website on 04.08.2016 extending the last date of submission of tender from the erstwhile 08.08.2016 to <u>16.08.2016.</u>
15	3.1 .1 (d)	Changes in ERP With respect to changes required to be done in ERP SAP, please suggest what kind of advice would be required on IND AS and ICDS compliance?	Refer clause 3.1.1(d) of the NIT (page no.6 of the NIT) and 3.5 9b) of the NIT (page no.10

		<p>Advice on changes to be incorporated in ERP SAP to ensure IND AS and ICDS compliance</p>	<p>Please clarify the scope of ICDS compliance. Is it required only with regard to changes in ERP SAP?</p> <p>Further, please clarify would assistance required be with respect to the implementation as well, or just advice on changes required.</p>	<p>of the NIT).</p>
16	<p>3.1.1 (f)</p> <p>3.2 (d)</p> <p>3.2 (d)</p>	<p>Query:-Please confirm whether implementation of IND AS is also required for all Associates /JVCs /Subsidiaries of AAI.</p> <p>Consolidation</p> <p>Advice on consolidation of Accounts with Associates/JVCs/Subsidiaries etc.</p> <p>Advise, help, and prepare the consolidated financial statements including Accounting policies and Notes to Accounts.</p> <ul style="list-style-type: none"> - Devise any template for collection of data from Subsidiary / JVs/Associates to ensure consolidation as per Ind AS requirements. - Assist and guide in conversion of Ind AS compliant standalone and consolidated opening balance sheet as at 01-04-2015. - Assist in preparing Standalone and Consolidated financial Statements for the year ending March 31, 2016 along with Comparatives. 	<p>Implementation of IND AS at all Associates/JVCs are not part of this assignment.</p> <p>Also refer reply to query no. 2 hereinabove.</p>	

	<p>3.2 (b)</p> <p>3.2 (e)</p> <p>3.4 (b)</p>	<p>- Assist in preparation of Ind AS compliant standalone and consolidated annual financial statements for the year ending March 31, 2017.</p>			
17	<p>Roadmap and Accounting Policies</p> <p>3.1.1 (b)-Study the existing Accounting Policies, systems and practices</p> <p>3.2 (d)-Advice for accounting policy updation for the group.</p> <p>3.1.1 (h)-Preparation and submission of the detailed road map which will also include a time schedule (within the stipulated target date in the tender) with clearly defined activities for ensuring successful implementation of Ind AS. This roadmap should elaborate the changes required in the accounting policies, systems and practices.</p> <p>3.1.1 (j)-Also give detailed roadmap for Consolidation of Accounts i.r.o Subsidiaries, Associates etc as per</p>	<p>Please clarify the expectation with respect to the accounting policies.</p> <p>Please confirm whether the updation is required for the new accounting policies under Ind AS for the group.</p> <p>Further, does AAI currently has an accounting policies manual for AAI and the group?</p> <p>With respect to roadmap, please clarify the expectation/scope and</p>			<p>The elaborations provided in the respective clauses of NIT as mentioned in the query is self-explanatory.</p>

	applicable Accounting Standards.	date of submission.	
18	<p>Training</p> <p>3.1.1 (q)-Consultant will provide all other related clarifications/ guidance, inputs, training, handholding etc. as and when required, if any, for smooth implementation of Ind AS in AAI.</p> <p>In addition 3 days training will be imparted to AAI employees by bidder and venue will be decided/informed by AAI Management during implementation stage.</p>	<p>Please suggest the locations for trainings required during implementation stage.</p>	<p>Refer reply to query no. 7.</p>
19	<p>IND AS impact assessment report</p> <p>3.1.1 (r)-Prepare an IND AS impact assessment report</p>	<p>Please clarify the scope of IND AS impact assessment report.</p> <p>Would the report be required for the group?</p>	<p>IND AS impact assessment for AAI only as detailed in the different clauses of NIT.</p>
20	<p>Manuals</p> <p>3.1.1 (s) --Submission of manuals/checklists, disclosure</p>	<p>Please clarify the expectation with respect to the manuals/checklists.</p>	<p>Refer reply to query 12 hereinabove.</p>

	<p>requirements adopted, along with necessary Standard Operating procedures for future compliance</p> <p>3.5 (a)-Also continuous updation of checklist/manuals/training material/IND AS handouts.</p>	<p>Please suggest what kind of manuals/checklists are required to be submitted.</p>	
21	<p>Quarterly Financial Statements</p> <p>3.3 (b)-Assist in preparation of Ind AS compliant standalone and consolidated annual financial statements for the third quarterly results as on 31.12.2016 and related reconciliation statements, if any, and disclosure requirements under Ind AS and audit thereof.</p>	<p>Please clarify whether Ind AS compliant standalone and consolidated annual financial statements are required for quarters of financial year 2015-16.</p>	<p>Refer reply to query 8 hereinabove.</p>
22	<p>General Query:</p> <p>Clause 4- Pre-qualifying requirements criteria no. 4 (c)</p> <p>As per the pre-qualifying criteria 4 (c) relating to completion of at least one IFRS/IND AS assignment, please clarify “assignment should have been completed satisfactorily”.</p> <p>What document (as a proof) is required from bidder from the respective client for</p>		<p>Refer clause 4 (Page 12 of NIT)</p>

	whom the assignment has been completed?	
23	As per point no 4 of tender document, AAI has required that bidder should have been completed satisfactorily one assignment under IFRS/IND AS implementation. , this is to inform you that as per MCA notification dated: 16 February 2015, on Companies (Indian Accounting Standards) IND AS is mandatory for companies having net worth greater than 500 crore from FY 2016-17, since all companies are in process of implementation of IND AS hence full completion of assignment for implementation of Ind AS could not be possible in the absence of financial statement for the year ended 31/03/2017.	No change is proposed to the NIT clause.
24	Further, many PSU's has also consider the experience of US GAAP for implementation of Ind AS, which is equivalent to IFRS, therefore AAI should also consider, experience of US GAAP, since generally the IFRS assignment has been completed under the umbrella of global professional firms. therefore it may be appropriate that CA firm processing the work of Implementation of IND AS should be considered or CA firm having completed satisfactorily one assignment under US GAAP should be considered.	No change is proposed to the NIT clause.
25	Whether 8 Joint Ventures would also part of the scope or AAI will provide the Ind-AS trial balance/ balance sheet of all such entities for consolidation?	Refer reply to Query No.2 and 16 hereinabove.
26	Whether subsidiary (CHIAL) would also part of the scope or AAI will provide the Ind-AS trial balance/ balance sheet of that entity for consolidation?	Refer reply to Query No.2 and 16 hereinabove.
27	Whether the Ind-AS exercise is to be done at entity level (i.e., AAI as a whole) or at regional/ division/ individual airport level?	Refer reply to Query no.3 hereinabove.
28	Is there any specific training requirement apart from the three day training as mentioned in the tender?	Refer reply to Query no.7 hereinabove.

29	<p>Enterprise Resource Planning Software (“ERP”): We would like to know and understand:</p> <p>(a) What ERP is currently being used AAI and its group companies? Is it one ERP across group or multiple ERPs? (if multiple ERPs – please specify all)</p> <p>(b) Expected involvement of the consultant? Is the consultant expected to provide only report on modifications required to ERP or is the expectation to render implementation support as well?</p> <p>(c) Per us the modifications to ERP should not be made up to 31 March 2017 (as Indian GAAP in its existing form is required to be followed by the Company). Please confirm if the final report of modification is required to be submitted per the proposed timeline or when it is more relevant (closer to actual date of modification)</p>	<p>a) Refer page 4 of NIT- ERP-SAP is implemented in AAI only. Other JVCs have their own system.</p> <p>b) Refer reply to query no.15 hereinabove.</p> <p>c) Timelines stipulated in the NIT may be adhered to.</p>
	<p>ICDS: Involvement of taxation: As per clause 3.1.1 (d), “Advice on changes to be incorporated in ERP-SAP to ensure IND AS and ICDS compliance” is required. We would like to understand better:</p> <p>a. Does the project require ICDS implementation support as well?</p>	Yes
31	<p>Certificate Format: The scope of work encompasses all quarters of year of first time adoption and comparative periods and requires detailed diagnostic report.</p> <p>Please let us know, What is the expectation of the Company in respect of certificate towards Ind AS compliant financial statement for the first Ind AS financial statements prepared? Please share the format for same?</p>	Refer reply to no. query 8 and 10 hereinabove.
32	<p>SOPs: The Standard Operating Procedures/ manuals are required to be produced as per clause 3.1.1 (s). What is the exact expectation? Do you already have SOPs which need to be modified as per Ind-AS or they need to be created?</p>	Refer reply to query no. 12 hereinabove.
33	<p>Evaluation criteria for the technical bid: As per the tender document, the qualification criterion of the bid is to have done at least one completed and at least</p>	'Adding additional similar testimonials (apart

	two in progress Ind-AS convergence projects including at least one for Mini-Ratna/ Navratna/ Maharatna/ Airports. Do you need only three testimonials or would adding additional similar testimonials (apart from the minimum numbers) would be counted as an added benefit?	from the minimum numbers) will not be counted as added benefit for evaluation.'
34	Network firms: Would the experience of network firms (different firms within the same brand umbrella) would be considered?	Refer page no. 11 of the NIT.
35	Componentization: Would the complete diagnostic and implementation exercise also be included as part of this tender? (this would be a detailed exercise especially considering the possibility of JV's assets coming into the books of AAI due to control evaluation etc.)	Refer reply to query no. 6 hereinabove.
36	Comparative statements: The financial statements required under the tender are limited to "Opening Balance sheet 01/04/2015", "Balance sheet and P&L for 31/03/2016", Balance sheet and P&L for 31/12/2016" and "Balance sheet and P&L for 31/03/2017"?	Refer reply to query no. 8 hereinabove.
37	Power of Attorney: Whether POA and letter of authority shall be required even if the partner is signing?	Refer clause no.5 (a) vide page no. 13 of the NIT.
38	Contract value: Contract value as per clause 7 of the "Proforma of agreement" is "total engagement billing amount"?	Yes
39	Extension of the last date of filing: Is there any scope of extension of the last date of submitting the tender (considering the response to these queries would also take at least 1-2 days to get finalised and uploaded on to the website)	Refer reply to query no. 14 hereinabove.
40	Amendments to Proforma Agreement: Please consider adding the following clauses to the Proforma of agreement:	No change is proposed.

	<p>Report</p> <p>“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.”</p> <p>Confidentiality</p> <p>"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.</p>	
41	Valuation exercise towards the Fair valuation of the assets/other areas - We can help you with the identification of the assets/areas requiring the fair valuation. However, It will be your responsibility to get it done through chartered engineers/specialist.	Refer reply to query no. 6 hereinabove.
42	Certification of the balances as on date for management and C&AG Consumption and management discussion - We are relying on the information/agreements	Refer reply to query no.10 hereinabove.

	provided by you. So our conclusion will be based on the inputs given by your team. Moreover, INDIAN GAAP balances on the transition date has not been audited by us. Hence, we will not be able to give any opinion/certification on the IND AS Compliant financials.	
43	Certification of the IND AS Compliant financials – Page 10 © - We are relying on the information/agreements provided by you. So our conclusion will be based on the inputs given by your team. Moreover, INDIAN GAAP balances on the transition date has not been audited by us. Hence, we will not be able to give any opinion/certification on the IND AS Compliant financials.	Refer reply to query no. 10 hereinabove.
44	Work order/Testimonials from the clients – Page 12 (4) - We can provide you with the Engagement letter subject to permission of our clients. For completion certificate, we can provide you with the direct email from the client stating the successful completion of the IND AS assignment by the Bidder.	Documents to be submitted as per NIT Clause.
45	Completed IND AS Assignment – Page 12 (4) - None of the IND AS assignment has completed till date. We can provide you with the list of IFRS Completed clients and quarterly results of the Clients adopted IND AS till June 2016.	No Change is proposed. (IFRS assignment already covered in NIT)
46	Group companies - It would be great if you can help us with the scope of the work in terms of the group companies. Subsidiary/JV. Do we need to prepare the diagnostic/impact assessment study for all the subsidiary/JV or we just need to cover only transactions impacting the consolidation for equity pick up.	Refer reply to Query no.2 hereinabove.
47	Bidder quoting overall lowest as at (a) above and adhering to tender stipulations in an unqualified manner shall be recognized as L-1.[Page No.22,S.no.12(b)] Meaning on the above.	Technically qualified Bidder (i.e. fulfilling all the conditions stipulated in the NIT) and quoting the lowest rate will be considered for award of contract.

48	Timeline for submission of tender to be extended	Refer reply to query no.14 hereinabove.