



भारत हेवी इलेक्ट्रिकल्स लिमिटेड

(भारत सरकार का उपक्रम)

BHARAT HEAVY ELECTRICALS LIMITED

(A Govt. of India Undertaking)

CLARIFICATIONS

Ref: BHEL/AA/CTM/JV/C2C/TA dt. 4th February 2023

Date: 10.02.2023

Job	Appointment of a Transaction Advisor for the "Formation of Joint Venture Company" in India with a Central Public Sector Enterprise (CPSE) for Coal to Chemicals business
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With reference to above, following points/documents, relevant to RfP, may please be noted and complied with while submitting the offer.

1. Pre –Bid Clarifications are attached vide Annexure-A
2. All other terms & conditions shall remain unchanged

Thanking you,


Yours faithfully,
for BHARAT HEAVY ELECTRICALS LTD

Encl: As above.

**RfP for Appointment of a Transaction Advisor for the "Formation of Joint Venture Company" in India
with a Central Public Sector Enterprise (CPSE) for Coal to Chemicals business**

Ref: BHEL/AA/CTM/JV/C2C/TA dt. 4th February 2023

CLARIFICATION TO BIDDERS' PRE-BID QUERIES

Sl. No	Reference clause of tender document	Bidder's Query	BHEL's Clarification												
1	2.1.n Similar Works	Please also allow consultancy services provided with scope of due diligence and valuation of companies undergoing CIRP under NCLT under similar works	No changes												
2	3.1 b Pre-Qualification criteria	Turnover requirement of the Client of Rs. 7500 cr may be reduced to Rs. 1800 cr or less. Alternatively, the requirement can be relaxed and experience of similar works for Indian CPSE may be allowed under this criteria. This will allow more bidders to participate and create healthy competition	No changes												
3	3.1 c List of Team Members	Please allow CVs of external consultants for qualification and same can be hired on award of Project	No changes												
4	5.4 Due Date	It is requested to extend the Bid Due Date by minimum 10 days i.e. until 24th February 2023	No changes												
5	3.1. c.ii Pre-Qualification criteria	It is pertinent to note that certain advisors like legal advisory firm and tax advisor would be required for executing the mandated transaction. It may be confirmed that BHEL will engage these advisors separately.	BHEL may appoint other advisor(s) as per its requirement												
6	3.1. c.v Pre-Qualification criteria	Since the mandate would be delivered by a team comprising of senior, middle and junior level executives, multiple officials, having varied skill sets, shall be involved at different points of time in this Assignment. Flexibility to operate from Consultant/ Sub-consultant premises shall be more productive and time-saving. Hence, the requirement for deployment may be reconsidered. Please also confirm the requirement to deploy the team leader/ lead partner at site which is mentioned as 1 day in a week in clause 3.1. c. viii.	No changes												
7	4.23 Liabilities	It may be clarified that the maximum aggregate liability (including any third-party liability) will be limited to the extent of fees actually received by the Advisor from the Client.	Refer clause 4.23 of the RfP												
8	Section No. – 3.Evaluation Bids Clause No. 3.1. b.	Original Clause The bidder should have advised, handled, and completed a minimum of five deals with direct experience as TA in "Similar works" in India during the period from 1st February, 2016 to 31st December, 2022. Out of these five, at least three should be from different entities (clients of bidder) having turnover equal to or more than Rs. 7500 Crores during the year of award of such work-orders. Further, out of these five deals, at least one deal should be for an Indian CPSE. Suggested Change The bidder should have advised, handled, and completed a minimum of five deals with direct experience as TA in "Similar works" in India during the period from 1st February, 2016 to 31st December, 2022. Out of these five, at least three should be from different entities (clients of bidder). Further, out of these five deals, at least one deal should be for an Indian CPSE. The bidder should have also completed at least three transactions of deal size of at least Rs. 7500 Crores. It is clarified that such three transactions could be from the set of submissions under Similar Works or separate transactions. [It is submitted that deal size is a better indicator of the ability of the bidder to handle large financial transactions, and the same may be inferred from transactions across sectors.]	No changes												
9	Section No. – 3.Evaluation Bids Clause No. 3.1. c	<table><tr><td colspan="2"><u>Original Clause</u></td></tr><tr><td>Partners/ Director/ equivalent</td><td>Minimum 15 (fifteen) years of experience including 7 (seven) years in similar works</td></tr><tr><td>Consultant</td><td>Minimum 5 (five) years including 2 (two) years in similar works</td></tr><tr><td colspan="2"><u>Suggested Change</u></td></tr><tr><td>Partners/ Director/ equivalent</td><td>Minimum 12 (twelve) years of experience including 5 (five) years in similar works</td></tr><tr><td>Consultant</td><td>Minimum 2 (two) years including 1 (one) year in similar works</td></tr></table>	<u>Original Clause</u>		Partners/ Director/ equivalent	Minimum 15 (fifteen) years of experience including 7 (seven) years in similar works	Consultant	Minimum 5 (five) years including 2 (two) years in similar works	<u>Suggested Change</u>		Partners/ Director/ equivalent	Minimum 12 (twelve) years of experience including 5 (five) years in similar works	Consultant	Minimum 2 (two) years including 1 (one) year in similar works	No changes
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10	Section No. – 4.General Conditions of Contract Clause No. 4.11	Original Clause To terminate the contract or withdraw a portion of work and get it done through other consulting firms, the consulting firm shall pay the complete/balance/excess cost to be incurred for the completion of the contract at the risk and cost of the contractor after 14 days' notice by BHEL. Suggested Change To terminate the contract or withdraw a portion of work and get it done through other consulting firms, the consulting firm shall pay the complete/balance/excess cost to be incurred for the completion of the contract at the risk and cost of the contractor after 14 days' notice by BHEL, capped to the unbilled portion of the contract.	No changes												
11	Section No. – 4.General Conditions of Contract Clause No. 4.16.e	Original Clause The Consulting firm agrees that during the term of this Agreement and after its termination, the Consulting firm, or any of its affiliates, shall be disqualified from providing goods, works or services related to the initial assignment (other than the services specifically mentioned in this RFP). Suggested Change The Consulting firm agrees that during the term of this Agreement and after its termination, the Consulting firm, or any of its affiliates, shall be disqualified from providing goods, works or services related to the initial assignment (other than the services specifically mentioned in this RFP). However, the Advisor may be permitted to provide investment banking, commercial banking and financial advisory services with respect to Client and any party involved in the transaction.	No changes												

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12	Section No. – 5. Special Conditions of Contract Clause No. 5.25 (Table)	Original Clause: <table> <tr> <th>Sl. No.</th><th>Scope of work section</th><th>Milestone</th><th>Payment, %</th></tr> <tr> <td>1</td><td>2.3.2 I&II</td><td>Review of Business Plan and preparation of financial model with sensitivity analysis</td><td>10%*</td></tr> <tr> <td>2</td><td>2.3.2 III</td><td>Proposed structure of Joint Venture including terms of engagement, extant of BHEL's role in supply of equipment, resource evaluation, expected pricing of inputs and offtake (between JVC and JV Partner), valuation of assets and determination of lease rentals, debt equity proportion, financing mode of debt & currency denomination etc., accounting and tax implication & its treatment (direct tax and indirect tax) including compliance on both the stakeholders (BHEL & JVC), regulatory guidelines etc.</td><td>30%*</td></tr> <tr> <td>3</td><td>2.3.2 IV</td><td>Finalisation of definitive documents/ agreements (JV Agreement, Offtake agreement, AoA, MoA etc.)</td><td>20%</td></tr> <tr> <td>4</td><td>2.3.2 V</td><td>Approval from the Board of Directors of both JV partners. Preparation of documentation for obtaining various approvals from Government and other agencies.</td><td>20%</td></tr> <tr> <td>5</td><td>2.3.2 VI & VII</td><td>Incorporation of JV company & Closure of proposed transaction</td><td>20%</td></tr> </table> Suggested Revised Clause: <table> <tr> <th>Sl. No.</th><th>Scope of work section</th><th>Milestone</th><th>Payment, %</th></tr> <tr> <td>1</td><td>2.3.2 I&II</td><td>Submission of Report on Review of Business Plan</td><td>10%*</td></tr> <tr> <td>2</td><td>2.3.2 I&II</td><td>Submission of financial model with sensitivity analysis</td><td>10%*</td></tr> <tr> <td>3</td><td>2.3.2 III</td><td>Submission of Report on Proposed structure of Joint Venture including terms of engagement, extent of BHEL's role in supply of equipment, resource evaluation, expected pricing of inputs and offtake (between JVC and JV Partner), valuation of assets and determination of lease rentals, debt equity proportion, financing mode of debt & currency denomination etc., accounting and tax implication & its treatment (direct tax and indirect tax) including compliance on both the stakeholders (BHEL & JVC), regulatory guidelines etc.</td><td>30%*</td></tr> <tr> <td>4</td><td>2.3.2 IV</td><td>Submission of draft definitive documents/ agreements (JV Agreement, Offtake agreement, AoA, MoA etc.)</td><td>30%</td></tr> <tr> <td>5</td><td>2.3.2 VI & VII</td><td>Incorporation of JV company</td><td>10%</td></tr> <tr> <td>6</td><td>2.3.2 VI & VII</td><td>Signing of Definitive Agreements by JV partners</td><td>10%</td></tr> </table>	Sl. No.	Scope of work section	Milestone	Payment, %	1	2.3.2 I&II	Review of Business Plan and preparation of financial model with sensitivity analysis	10%*	2	2.3.2 III	Proposed structure of Joint Venture including terms of engagement, extant of BHEL's role in supply of equipment, resource evaluation, expected pricing of inputs and offtake (between JVC and JV Partner), valuation of assets and determination of lease rentals, debt equity proportion, financing mode of debt & currency denomination etc., accounting and tax implication & its treatment (direct tax and indirect tax) including compliance on both the stakeholders (BHEL & JVC), regulatory guidelines etc.	30%*	3	2.3.2 IV	Finalisation of definitive documents/ agreements (JV Agreement, Offtake agreement, AoA, MoA etc.)	20%	4	2.3.2 V	Approval from the Board of Directors of both JV partners. Preparation of documentation for obtaining various approvals from Government and other agencies.	20%	5	2.3.2 VI & VII	Incorporation of JV company & Closure of proposed transaction	20%	Sl. No.	Scope of work section	Milestone	Payment, %	1	2.3.2 I&II	Submission of Report on Review of Business Plan	10%*	2	2.3.2 I&II	Submission of financial model with sensitivity analysis	10%*	3	2.3.2 III	Submission of Report on Proposed structure of Joint Venture including terms of engagement, extent of BHEL's role in supply of equipment, resource evaluation, expected pricing of inputs and offtake (between JVC and JV Partner), valuation of assets and determination of lease rentals, debt equity proportion, financing mode of debt & currency denomination etc., accounting and tax implication & its treatment (direct tax and indirect tax) including compliance on both the stakeholders (BHEL & JVC), regulatory guidelines etc.	30%*	4	2.3.2 IV	Submission of draft definitive documents/ agreements (JV Agreement, Offtake agreement, AoA, MoA etc.)	30%	5	2.3.2 VI & VII	Incorporation of JV company	10%	6	2.3.2 VI & VII	Signing of Definitive Agreements by JV partners	10%	No changes
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