

**Directive No 31 A**  
**(Issued pursuant to section 7(b) of the Public Procurement Act)**

**Assessment of Financial Soundness and Capability of Bidders for procurement of Works, Services and Goods**

The purpose of this Directive is to replace Directive No 31 to include amongst others the computation of solvency ratio for the purpose of assessing the financial soundness and financial capability of the bidders to perform the contract upon award.

**1. Bidders' responsibilities**

a) The Standard Bidding Documents (SBDs) shall require bidders to:

- i. submit the Audited Accounts/Financial Statements for a certain number of years (usually for the last 3 to 5 years) for the purpose of evaluating the bidder's financial performance and position;
- ii. demonstrate access to or availability of financial resources such as liquid assets, lines of credit, and other financial means, other than any contractual advance payments to meet the overall cash flow requirements for the contract and its current commitments; and
- iii. submit selected data extracted from these Audited Accounts/Financial Statements as per Annex 1

b) Additionally, the selected bidder will be required to submit a Credit Profile Report in its name from the Mauritius Credit Information Bureau (MCIB).

**2. Review of financial information**

- (i) The financial information provided by the bidder should be reviewed in its **entirety** at the evaluation/diligence stage to allow for an informed assessment in reaching a pass-fail decision on the financial soundness and capability of the bidder.
  - (ii) For analysis of complex Audited Accounts/Financial Statements, BECs may seek a report through Departmental Bid Committee/Central Procurement Board for assessing the financial soundness of the bidders by a Professional Accountant registered with Mauritius Institute of Professional Accountants (MIPA).
3. This Directive is applicable for procurement of Works, Services and Goods contracts with cost estimate above Rs 10 Million.
4. This directive takes effect immediately.

**Procurement Policy Office**  
**8 April 2024**

<sup>1</sup> Complex Audited Accounts /Financial Statements are consolidated financial statements are financial statements of an entity with multiple divisions or subsidiaries

**Key Financial Information extracted from Audited Accounts/Financial Statements**

Financial data in the currency reported in the Audited Accounts / Financial Statements	Historical Information			Remarks by BEC
	Previous years	Last year	Current year	
Statement of Financial Position (Information from Balance Sheet)				
A. Current Assets				
B. Current Liabilities				
Working capital ratio or current ratio ( A / B)				
Quick ratio or Acid Test ratio (Current Asset net of stock / B)  (A – Closing Stock) B				
C. Total Assets				
D. Total Liabilities				
Net Asset ( C-D)				
Cash in hand and at Bank				
Bank Overdrafts				
Other Liquid Assets				
<i>Debt to Equity Ratio (Gearing / Solvency ratio)</i> <b><u>Long Term Debt X100</u></b> <b>Equity</b>				
<b>Information from Income statement</b>				
<b>Key Profitability Indicators in the currency reported in the Audited Accounts/Financial Statements</b>	<b>Previous years</b>	<b>Last year</b>	<b>Current year</b>	
Turnover				
Profit /(Loss )Before Tax				
Taxation				
Net Profit /(Loss) After Tax				
(Net profit After tax) x 100 (Turnover)				

Certified by Bidder that information is true extract from Audited Accounts/  
Financial Statements

Name of Bidder:

Signature:

Capacity:

Date: