



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

T# 46/19-20

Invitation to Bid

The Securities & Exchange Commission of Pakistan invites sealed bids from the Audit Firms based in Pakistan and registered with Federal Board of Revenue/Respective Revenue Boards for Income Tax and Sales Tax and who are on Active Taxpayers List (Income and Sales tax) of the Federal Board of Revenue/Relevant Tax Authority for:

INVESTIGATION OF PUBLIC UNLISTED COMPANY

Bidding documents containing detailed terms and conditions, method of procurement, procedure for submission of bids, bid bond/security, bid validity, opening of bid, evaluation criteria, clarification/rejection of bids etc. against above requirement are available for the interested bidders from the undersigned free of cost and can also be downloaded from <https://www.secp.gov.pk/procurement/>

The bids prepared in accordance with the instructions in the bidding documents, must reach undersigned on or before **May 06, 2020 by 1100Hrs** and will be opened on the same day at **1130Hrs**.

In case of any query, Admin Department may be contacted on Telephone No. 051-9207091-4 (Ext-437/444) during office hours (Monday to Friday excluding Public Holidays)

Arshad Kamal, Additional Director (Admin)
NICL Building, 63 Jinnah Avenue, Blue Area Islamabad

Terms and Conditions for Bids and Bidders

1. Tender Identification Number: **Tender # 46/19-20**
2. The Procurement Agency is:

Securities and Exchange Commission of Pakistan
4th Floor, NICL Building, 63 Jinnah Avenue, Blue Area,
Islamabad.

3. The Securities and Exchange Commission of Pakistan invites sealed bids from the Audit Firms based in Pakistan and registered with Federal Board of Revenue/Respective Revenue Boards for Income Tax and Sales Tax and who are on Active Taxpayers List (Income and Sales tax) of the Federal Board of Revenue/Relevant Tax Authority for

INVESTIGATION OF PUBLIC UNLISTED COMPANY

through

SINGLE STAGE TWO ENVELOP METHOD.

4. Bids shall comprise a single package containing TWO separate envelopes. Each envelope shall contain separately the financial Bid and the technical Bid. The envelopes shall be clearly marked as “**FINANCIAL BID**” and “**TECHNICAL BID**” in bold and legible letters.
5. **The Bid Bond to be enclosed sealed and labelled as “BID BOND”, and should be with the Technical bid envelop.**
6. **BID Bond should not be placed within the envelope of financial bid/proposal.**
7. Initially, only the envelope marked “**TECHNICAL BID**” shall be opened publicly. The envelope marked as “**FINANCIAL BID**” and **Bid Bond** shall be retained.
8. Bids not accompanied by bid bond/security as required or with less amount of bid bond/security will be rejected.
9. After the evaluation and approval of the technical bid, financial bids and their bid bonds of the technically accepted bids only will be opened at a time, date and venue announced and communicated to the bidders in advance. Financial bids and the bid bonds of technically unsuccessful bidder will be returned.
10. The amount of the bid and bid bond/security shall be in Pak rupees. The bids should be accompanied by bid bond/security (refundable) for an amount equal to **2%** of the total quoted price (inclusive GST, if applicable) in shape of either pay order, demand draft in favor of Securities and Exchange Commission of Pakistan. **Cheque will not be acceptable.**
11. Only registered service providers who are on Active Taxpayers List (Income and Sales Tax) of FBR (The “ATL”) are eligible to provide services to the Commission. **Bids of all those bidders who are inactive on ATL on the date of bid opening shall be rejected.**
12. After selection if any service provider is not available on ATL at the time of payment then his payment shall be stopped till he files his mandatory returns and appears on ATL of FBR.

13. Tax shall be deducted/withheld as per applicable sales tax and income tax law.
14. Relevant details plus terms and conditions of the invitation may be obtained from the undersigned personally or by visiting the SECP website: <https://www.secp.gov.pk/procurement/>
15. Clarification if any on the requirements may be obtained by emailing at ubaidullah.khalid@secp.gov.pk
16. SECP reserves the right to cancel this invitation and reject all bids at any stage of the bidding process.
17. The bid validity period shall be 150 days.
18. If the bid is withdrawn after bid opening time and before the expiry of bid validity the bid bond/security will be forfeited in favor of the SECP, Islamabad.
19. The language of the bid is English and alternative bids shall not be considered.
20. Amendments or alterations/cutting etc., in the bids must be attested in full by the person who has signed the bids.
21. The prices quoted shall correspond to 100% of the requirements specified. The prices quoted by the bidder shall not be adjustable. Changes or revisions in rates after the opening of the bids will not be entertained and may disqualify the original offer.
22. The rates must be quoted strictly in accordance with our documents and Annex(s).
23. Discounts (if any) offered by the bidder shall be part of the bid and for taxation purposes will be treated in accordance with the applicable laws.
24. Detail of applicable taxes and whether taxes included or not in the quoted price and breakup of the quoted price shall be clearly mentioned.
25. The bidder shall be responsible for payment of any duties/taxes etc. which are imposed by the Government of Pakistan (GOP). The bid price MUST be inclusive of all applicable taxes. The bidder is hereby informed that the Commission shall deduct tax at the rate prescribed under the tax laws of Pakistan from all payments for supply/services rendered by any responding organization who accepts the Purchase order or signs agreement with the Commission.
26. In case applicable taxes have neither been included in the quoted price nor mentioned whether quoted amount is inclusive or exclusive of such taxes, then quoted amount will be considered inclusive of all taxes.
27. **Price inclusive of quoted tax, quoted by the bidder shall be considered for evaluation irrespective of the tax rate. The lowest evaluated bidder shall be responsible of the quoted tax in its bid and any demand from tax authorities shall be payable by that bidder.**

28. Selected service provider will have to provide the required services, if selected and declared as lowest evaluated bidder. In case selected bidder is not willing to supply on quoted amount then bid bond/security submitted with the bid will be forfeited in favor of the Commission.
29. In case 1st lowest evaluated bidder is unable to supply ordered items/services then the Commission reserves the right to award the contract to 2nd lowest evaluated bidder. In case 2nd lowest evaluated bidder is unable to supply ordered items/services then the Commission reserves the right to award the contract to 3rd lowest evaluated bidder.
30. Bid bond/security of the bidder who is unable to provide services shall be forfeited in favor of the Commission.
31. Bidder must have regular place of business, telephone numbers and email address and must provide proof of their existence in the particular business. A brief profile of the bidder, along with list of major customers (corporate sector) and their contact details is required.
32. Bidder must submit an undertaking on firm's letter head that the bidder has never been blacklisted by any Government / Semi Government / any regulatory authority/Autonomous organization **failing which the bid shall be rejected.**
33. Payment shall be made after deduction of taxes.
34. Payment shall be made through cross Cheque in Pak Rupees. Taxes will be deducted at source as per Government Rules at the time of payment.
35. The bid bond/security of successful bidder will be retained and returned after completion of investigation. However, bid bond/security of unsuccessful bidders will be returned after award of contract to successful bidder.
36. During the retention period the bid bond/security, no interest / markup will be provided on this amount by Commission to bidder at the time of refund/release of bid bond/security.
37. The bids received after the due date and time shall be rejected.
38. It is of utmost importance that bids should be submitted very carefully and the instructions set forth above, scrupulously complied with, failing which the offer will be rejected.
39. The bidders do not have the option of submitting their bids electronically. Telegraphic and conditional bids will not be accepted.
40. Unsealed bids will not be accepted.
41. **Sealed bids may be dropped in the tender drop box placed at Ground Floor of the NIC Building, 63 Jinnah Avenue, Islamabad.**
42. The place of bid destination is:

Securities and Exchange Commission of Pakistan,
NICL Building, 63 Jinnah Avenue, Blue Area, Islamabad.

43. The envelopes shall bear the following additional identification marks:

Bid for: : INVESTIGATION OF PUBLIC UNLISTED COMPANY
Bidder : XYZ
Name:
Attention : Arshad Kamal
Additional Director, Admin,
4th Floor, NICL Building, 63 Jinnah Avenue Blue Area,
Islamabad

44. The deadline for the submission of bids is:

Date: May 06, 2020

Time: 1100Hrs

45. The bid opening shall take place at

**Securities and Exchange Commission of Pakistan NICL Building, 63 Jinnah
Avenue, Blue Area, Islamabad**

Date: May 06, 2020

Time: 1130Hrs

A statement “Not to be opened before 1130Hrs on May 06, 2020” shall be clearly mentioned on the top of the sealed bid.

Note: Attachment Details are as under:

1.	Scope of Work/Evaluation and Payment Terms	Annex “A”
2.	Financial Evaluation	Annex “B”
3.	Documentary Evidence	Annex “C”

If the above terms and conditions are acceptable then bids must be submitted well in time and according to the requirements.

Scope of Work - Appointment of Inspector to Conduct an Investigation in the affairs of a public unlisted company in terms of section 257 of the Companies Act, 2017

The Securities & Exchange Commission of Pakistan invites sealed bids from Audit Firms for Appointment of Inspectors to conduct an investigation into the affairs of a public unlisted company in terms of section 257 of the Companies Act, 2017 in terms of the Court Order dated September 19, 2019.

The proposed investigation is likely to commence in the first week of **May / June 2020** and to continue for a period of one month. Please note that the actual time may be extended due to the circumstances of the matter and findings during the course of the investigation.

The firms submitting bids should fulfill the following criteria:

- i) Satisfactory QCR rated firms from ICAP;
- ii) Satisfactory quality rated firms from ICMAP;
- iii) Experience in audit of public listed and unlisted companies based in Pakistan;
- iv) Expertise in property valuations and market research of property with related laws;
- v) Well equipped with investigative skills and tools of forensic accounting;
- vi) Understanding of evidence qualities admissible / required in white-collar court proceedings; and
- vii) Having an expertise in regulatory framework applicable to public unlisted companies.

The qualified firms and individuals are hereby requested to respond to the Commission as per published deadline for bid submission confirming your availability for this exercise and state the name of the Qualified Accountant the Firm will depute in this regard.

Disclaimer:

Any bidding firm found to have a conflict of interest either in light of their own submissions or through any information available with the Commission will be rejected. The conflict of interest as determined may be personal or professional. The decision of the Commission, in this regard, shall be final.

Payment Terms:

The payment terms for the assignment will be 50% after submission of a satisfactory interim report to be submitted mid-way during the assignment and 50% at the time of submission of final investigation report.

Terms of Reference (ToRs) for Investigation:

1. Ascertain the extent of virtual control, if any, taken over by the Respondent No. 2 (*individual having 8.27% shareholding*), and how the other directors were excluded from control of the Company (i.e. minutes of the general meeting in which election of directors was held).
2. Whether Respondent 2 to 5 (*certain individuals*) have been acting as directors on the board of directors of the Company and whether they were actively participating in decision making of the Company in both the board and general meetings.
3. Ascertain the Company's compliance of the applicable provisions of the repealed Companies Ordinance, 1984 ('*Ordinance*') [now Companies Act, 2017 ('*Act*')] or any other applicable law since date of registration (i.e.22.10.1986) w.r.t.:
 - a. holding of annual general meeting and board meeting, including but not limited to timely provision of notice of meeting, annual audited accounts, minutes of meeting, quorum, proxy etc.;
 - b. holding of election of directors and appointment of Chief Executive Officer;
 - c. appointment of auditors;
 - d. maintenance of books of accounts;
 - e. maintenance of other statutory books/registers for e.g. minutes books, register of members, register of directors, register of mortgage and charge;
 - f. transfer/transmission of shares during the period in terms of requirements of law;

The Inspectors are required to identify specific provisions of applicable laws that that have been violated by the Company.

4. Ascertain the compliance of filing of statutory returns including the annual audited financial statement to the Registrar by the Company during the last ten years and specify provisions of law that have been violated. Also assess and specify the last filed statutory returns including annual audited financial statements with Registrar.
5. Ascertain the current shareholding and directorship of the Company and whether the same has duly been notified to the registrar in accordance with the provisions of the Company law?
6. Re-assess all the circumstances stipulated in section 305 of the Ordinance (corresponding section 301 of the Act), especially, with regard to if the company is unable to pay its debts; or suspends its business for a whole year and specify those circumstances that exist in the case of the Company which endorse action for winding up of the Company by the Court.
7. Whether the Respondent No. 2 (*individual having 8.27% shareholding*) has executed a bona fide sale agreement of underlying assets on behalf of the Company, with its lawful buyer? If so, please verify the compliance of provision of clause (j) subsection (2) of section 196 of the repealed Companies Ordinance, 1984 (r/w rule 14A of Companies (General Provisions and Forms) Rules 1985) (corresponding clause (a) of subsection

(3) of section 183 of the Act)? Also verify the receipt of sale consideration and actual beneficiary thereof (i.e. bank statements).

8. As per Para 12 of the petition 11836/2019 before Lahore High Court, review the report of the local Commission appointed by Civil Court to determine value of assets and sale/purchase of shops and any other relevant information reported therein, to assess the credibility of books of accounts and financial statements of the Company.
9. Whether any possession letter of the underlying property was issued to the buyer of the property? If so, whether the issuer was authorized to do so under specific authority of the board of directors?
10. Whether the buyers occupied the properties, have any enforceable possession agreements with the Company?
11. Whether the tenants occupied the properties, have any enforceable tenancy agreements with the Company?
12. Whether the Company have regularly been receiving the rents from the tenants in accordance with the terms of tenancy agreement and have been duly accounted for in the books of accounts?
13. Whether the security deposit from the tenants have been received in accordance with the terms of agreements and have been accounted for in the books of accounts?
14. Whether the stock in trade of the Company is physically verified and reconciled to the stock sheets and books of accounts maintained by the Company.
15. Provide detail of outstanding and paid utility bills against the underlying property owned by the Company?
16. Whether the Company is regularly paying all its debts.
17. Whether the Company is conducting business in line with Clause III of the Memorandum of Association of the Company.
18. Obtain confirmation of current status of litigations from legal advisor as per latest Form A.
19. Whether shares of a deceased member have been transferred to legal heirs in accordance with law.
20. Whether dividends are being paid to respective shareholders of the Company.
21. Whether plant and machinery is physically verifiable on the land / premises of the Company.
22. Whether fixed assets register is being maintained by the Company.

23. Whether valuation report in relation to fixed assets has been prepared by Company.
24. Whether there was any compromise agreement made between the contesting parties.
25. Whether there is any loan payable to bank and current status of its repayment. Moreover, recovery suits filed by banks and /or decree, if any.
26. Whether the Company has complied requirements of maintenance of registered office in line of section 21 and section 22 of the Act.
27. Whether internal audit was conducted and last internal audit report, if any. Whether any matter(s) incidental or ancillary to the above ToRs, warrants attention of this Commission? If so, please provide detail of the same?

Financial Evaluation

- **Bid(s) qualifying all the requirements mentioned in the TOR's and quoting lowest cost shall be selected for the required services.**

- **Bidder shall quote a lump sum cost, inclusive of all applicable taxes and costs to complete the investigation** including management, travelling, lodging, supplies/consumables, phone/fax, out of pocket expenses and other miscellaneous expenses. The SECP shall not reimburse any other costs beyond quoted price.

Note:

- **Bidder shall submit the bid security against the Grand Total/Lump sum cost.**

DOCUMENTARY EVIDENCE

Name of the Bidder: _____

Bid against Reference No: _____

Date of opening of Bid: _____

Documentary evidence for determining eligibility of the bidders & evaluation of bids. Bidders should only initial against those requirements that they are attaching with the form. **Bidders are required to mark page number on each page of the bid and mention the exact page number of relevant documents in the table below.** Bidders are advised to attach all supporting documents with this form in the order of the requirement.

S#	Required Documentation	Signature of Bidder	Supporting Document's Name	Page Number in the Bid.
1	NTN Certificate			
2	GST Certificate			
3	On Active Tax Payers List of F BR			
4	Undertaking on Letter head (Blacklisting)			
5	Bid Bond/Security			
6	Bid Validity period of 150 days			
7	Original Bidding documents duly signed/stamped			