



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

T# 6/20-21

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:

S. No.	Requirements	Tender Ref No.
1	INVESTIGATION OF PRIVATE LIMITED COMPANY – COMPANY – A	T# 06 (I)/20-21
2	INVESTIGATION OF PRIVATE LIMITED COMPANY – COMPANY – B	T# 06 (II)/20-21

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 **September 09, 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-437/302) during office hours (Monday to Friday excluding Public Holidays)

Zahid ul Hassan, Deputy Director (Admin)
NICL Building, 63 Jinnah Avenue, Blue Area Islamabad

Terms and Conditions for Bids and Bidders

1. Tender Identification Number: **Tender # 06(I)/20-21**
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 PRIVATE LIMITED COMPANY – COMPANY A
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 or zahid.hassan@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 following undertaking (on stamp paper of Rs.100/letter head), **failing which the bid shall be rejected.**
 - a) Affidavit that the documents/details/information submitted is true and liable to be rejected if proven false and in that case legal action is liable on that bidder.
 - b) Affidavit that the bidder has never been blacklisted by any National/International organizations.
- Note: In case any bidder is found in the list of “Blacklisted Firms-Pakistan” or related links at <https://www.ppra.org.pk/> then its 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 PRIVATE LIMITED COMPANY –
COMPANY A
Bidder : XYZ
Name:
Attention : Zahid ul Hassan
Deputy Director, Admin,
4th Floor, NICL Building, 63 Jinnah Avenue Blue Area,
Islamabad

44. The deadline for the submission of bids is:

Date: September 09, 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: September 09, 2020
Time: 1130Hrs

A statement “Not to be opened before 1130Hrs on September 09, 2020” shall be clearly mentioned on the top of the sealed bid.

Note: Attachment Details are as under:

1.	Scope of Work/TOR's/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 INVESTIGATE IN THE AFFAIRS OF A PRIVATE LIMITED COMPANY IN TERMS OF SECTION 256 OF THE COMPANIES ACT, 2017

The Securities & Exchange Commission of Pakistan (‘SECP’) invites sealed bids from Audit Firms for Appointment of Inspectors to investigate the affairs of a private limited company under the provisions of Section 256 of the Companies Act, 2017. The subject company is located in the province of Punjab (*District Sialkot, Tehsil Daska*).

The proposed investigation is likely to commence in the first week of **September / October 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/Private companies.

The qualified firms and individuals are hereby requested to respond to the SECP as per published deadline for bid submission confirming their availability for this exercise and state the name of the Qualified Accountants 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:

100% payment will be made after completion and submission of final investigation report.

TERMS OF REFERENCE (TORs) FOR INVESTIGATION:

1. Ascertain the extent of control, if any, taken over by director namely; Mr. Shabbir Ahmad, CEO / Director (*controlling management having 0.1% shareholding in the Company*) and identify the embedded causes due to which Mr. Francis Zahar ('Applicant') (*director having 99.99% shareholding in the Company*), was / is remained excluded to run the affairs of the Company. Inspectors are to identify the provisions of applicable laws, which were violated due to the acts of controlling management (*having 0.1% shareholding in the Company*);
2. Whether controlling management (*having 0.1% shareholding in the Company*) namely; Mr. Shabbir Ahmad, CEO / Director (*previously by Mr. Shahid Mahmood, Ex-CEO/ Director*) has been discharging his duties strictly in letter and spirit in accordance with the provisions of Section 204 of the Companies Act, 2017 ('Act') since date of incorporation of the Company i.e. *May 25, 2018*. Inspectors have to identify the provisions of applicable laws, which were violated due to the acts of Mr. Shabbir Ahmad, CEO / Director and Mr. Shahid Mahmood, Ex-CEO/ Director;
3. Whether exclusion of the Applicant (*director having 99.99% shareholding in the Company*) by the controlling management (*having 0.1% shareholding in the Company*) has been to;
 - a) Defraud creditors / members of the Company;
 - b) Pass on benefit to any person / entity / company by not observing the principle of arm lengths transactions;
 - c) Deprive the members a reasonable return; and
 - d) Keep secret the affairs of the Company from the Applicant.

Moreover, Inspectors are to identify the provisions of applicable laws, which were violated due to the acts of the controlling management (*having 0.1% shareholding in the Company*);

4. Whether the controlling management (*having 0.1% shareholding in the Company*) has committed any fraud, misfeasance, breach of trust or other misconduct towards the Company or towards any of its members and / or carrying on unauthorized business. Inspectors have to identify the provisions of applicable laws, which were violated due to the acts of the controlling management (*individual having 0.1% shareholding in the Company*);
5. Whether the Applicant (*having 99.99% shareholding in the Company*) actively participates in decision making of the Company in the Board and General meetings. Inspectors have to identify the provisions of applicable laws, which were violated due to the acts of the controlling management (*having 0.1% shareholding in the Company*);
6. Ascertain the total amounts invested / deposited by the Applicant for issuance of shares of the Company since its incorporation. Identify the channel / mode through which the total amounts were transferred, to whom (*identify all individuals including Mr. Shabbir Ahmad, CEO / Director and Mr. Shahid Mahmood, Ex-CEO/ Director*) the amounts were paid / transferred, shares issued against the amounts invested / deposited by the Applicant and the amount paid / transferred by Applicant for which shares have not been issued to him. Inspectors have to identify that whether any shares of the Company have been allotted for

inadequate consideration and whether the amounts invested / deposited by the Applicant were duly:

- a) Recorded in the books of the Company;
- b) Disclosed in the audited Financial Statements of the Company since its incorporation.

Identify all applicable laws / accounting standards, which were violated due to the acts of controlling management (*having 0.1% shareholding in the Company*) while recording the stated amounts in the books / audited Financial Statements of the Company since its incorporation.

7. Ascertain amounts advanced by the Applicant on account of loan to the Company and / or to Mr. Shabbir Ahmad (*CEO / Director*) and Mr. Shahid Mehmood (*Ex-CEO / Director*) for carrying on the business of the Company since its incorporation. Identify the channel / mode through which the amounts were transferred, to whom the amounts were paid / transferred, complete details of total amount returned to Applicant by the Company and outstanding amount still owed by the Company and / or any amount paid / transferred by Applicant to Mr. Shabbir Ahmad (*CEO / Director*) and Mr. Shahid Mehmood (*Ex-CEO / Director*) but not deposited in the Company's account. Inspectors have to identify whether the amounts advanced by the Applicant on account of loan to the Company for carrying on the business of the Company were duly:

- a) Recorded in the books of the Company;
- b) Disclosed in the audited Financial Statements of the Company under relevant heads.

Identify all applicable laws / accounting standards, which were violated due to the acts of controlling management (*having 0.1% shareholding in the Company*) with regard to recording / incorporating the amounts in the books of accounts / audited Financial Statements of the Company since its incorporation.

8. Ascertain any other amounts paid by the Applicant to the Company and to Mr. Shabbir Ahmad (*CEO / Director*) and Mr. Shahid Mehmood (*Ex-CEO / Director*) for carrying on the business of the Company since its incorporation. Identify the channel / mode through which the amounts were transferred, to whom the amounts were paid / transferred, complete details of total amount returned by the Company and existing status of outstanding amount still owed by the Company. Inspectors have to identify whether the amounts paid / advanced by the Applicant for carrying on the business of the Company were duly:

- a) Recorded in the books of the Company;
- b) Disclosed in the audited Financial Statements of the Company.

Identify all applicable laws / accounting standards, which were violated due to the acts of controlling management (*having 0.1% shareholding in the Company*) while recording the amounts in the books / audited Financial Statements of the Company since its incorporation.

9. Ascertain the Company's compliance of the applicable provisions of the Act or any other applicable law since its incorporation with respect to the following:

- 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) preparation of financial statements / accounts and its approval from the BoD / members of the Company;
- f) maintenance of other statutory books/registers for e.g. minutes books, register of members, register of directors, register of mortgage and charge, register of transfers of shares etc.; and
- g) transfer/transmission of shares during the period in terms of requirements of law.

The Inspectors have to identify specific provisions of applicable laws that the Company has violated.

- 10. Ascertain the compliance of filing of statutory returns including the annual audited financial statement with the Registrar by the Company since its incorporation and specify provisions of applicable laws that have been violated;
- 11. Ascertain whether the current shareholding and directorship of the Company has duly been notified to the Registrar through relevant returns / forms in accordance with the provisions of the applicable laws. Identify specific provisions of applicable laws that the Company has violated;
- 12. Whether any dividend has been declared by the Company since its incorporation and was paid to all shareholders of the Company in a timely manner and in accordance with the applicable provisions of laws. Identify specific provisions of applicable laws that the Company has violated;
- 13. Whether the Company has since its incorporation obtained any loans / financial facility (ies) from financial institutions / any other entity / individuals. Inspectors are to assess compliance of all requirements of:
 - a) applicable laws;
 - b) approvals from BoD / shareholders; and
 - c) its recording in the books of accounts / audited financial statements of the Company in accordance with applicable laws / accounting standards.

Identify specific provisions of applicable laws that the Company has violated.

- 14. Whether the controlling management (*having 0.1% shareholding in the Company*) has executed a bona fide purchase and sale agreements with seller and buyer for purchase and sale of assets of the Company since its incorporation and verify payment for / receipt of purchase and sale consideration to beneficiary thereof. Inspectors are to assess compliance of all requirements of:
 - a) applicable laws;
 - b) approvals from BoD / shareholders; and
 - c) its recording in the books of accounts / audited financial statements of the Company in accordance with applicable laws / accounting standards.

Identify specific provisions of applicable laws that the Company has violated.

15. List down all legitimate properties / fixed assets of the Company and whether these are duly in possession of the Company and being utilized for its purpose only. Identify all such properties of the Company, which were / are not in its possession and were / are not being utilized for its purpose and also identify the individuals / entity / company in whose possession the properties / fixed assets of the Company and by whom these were utilized. Identify specific provisions of applicable laws that the Company has violated;
16. Whether sales and purchases of stock have been truly recorded / accounted for in the books of accounts / audited financial statements of the Company since its incorporation. Its existing stock-in-trade be physically verified and reconciled with its underlying documents and books of accounts. Identify specific provisions of applicable laws that the Company has violated;
17. Whether all fixed assets / Plant and Machinery ('P&M') are physically verifiable and P&M are installed at the premises of the Company. Identify specific provisions of applicable laws that the Company has violated;
18. Whether all land (*both owned and leasehold*) of the Company are physically verifiable. Identify specific provisions of applicable laws that the Company has violated;
19. Whether Fixed Assets Register ('FAR') is being maintained by the Company. All its assets be physically verified and reconciled with records of FAR. Identify specific provisions of applicable laws that the Company has violated;
20. Whether the business conducted and all transactions executed (*including investment made and expenditures incurred*) since date of incorporation of Company were for its objects and properly recorded in its books of accounts / audited financial statements. Identify specific provisions of applicable laws that the Company has violated; \
21. Whether controlling management (*having 0.1% shareholding in the Company*) is / was utilizing the Company's funds, for their personal purposes including receipt of perks and privileges since its incorporation. The Inspectors have to identify specific provisions of applicable laws that the Company has violated;
22. Whether the Company has complied with the requirements of maintenance of registered office in terms of Sections 21 and 22 of the Act;
23. Whether internal audit function is in place since incorporation of the Company. Discuss and debate all internal audit reports and identify any specific provisions of applicable laws that the Company has violated;
24. List down all litigations linked with the Company since its incorporation along with existing status thereof; and

25. If any matter(s) incidental or ancillary to above ToRs warrants attention of this Commission, please provide detail of the same and identify any specific provisions of applicable laws that the Company has violated.

Annex – “B”

Financial Evaluation

- **Bid(s) qualifying all the requirements mentioned in the Scope of Work/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 (Blacklisting)			
5	Bid Bond/Security as required			
6	Bid Validity period of 150 days			
7	Original Bidding documents duly signed/stamped			