

**SINDH PUBLIC PROCUREMENT REGULATORY AUTHORITY**

**CONTRACT EVALUATION FORM**

**TO BE FILLED IN BY ALL PROCURING AGENCIES FOR PUBLIC CONTRACTS OF WORKS, SERVICES & GOODS**

- 1) NAME OF THE ORGANIZATION / DEPTT Sindh Bank Ltd
- 2) PROVINCIAL / LOCAL GOVT / OTHER Scheduled Bank
- 3) TITLE OF CONTRACT Selection of Statutory Auditors
- 4) TENDER NUMBER Sindh / Govt / Admin / EO / 244
- 5) BRIEF DESCRIPTION OF CONTRACT Selection of Statutory Auditors
- 6) FORUM THAT APPROVED THE SCHEME Consultant Selection Committee
- 7) TENDER ESTIMATED VALUE 2.5 M
- 8) ENGINEER'S ESTIMATE (For civil works only) -

- 9) ESTIMATED COMPLETION PERIOD (AS PER CONTRACT) One year
- 10) TENDER OPENED ON (DATE & TIME) 10/10/12, 1:30pm
- 11) NUMBER OF TENDER DOCUMENTS SOLD (Attach list of buyers) 06  
Annex B

- 12) NUMBER OF BIDS RECEIVED 03
- 13) NUMBER OF BIDDERS PRESENT AT THE TIME OF OPENING OF BIDS 02

- 14) BID EVALUATION REPORT (Enclose a copy) Annex A  
M/S Anjum Asim Shahid Rahman,

- 15) NAME AND ADDRESS OF THE SUCCESSFUL BIDDER Chartered Accountants,  
1519 3rd flr,  
Modern Master  
House, Beaumont  
Road Karachi.
- 16) CONTRACT AWARD PRICE Rs 225000/-

- 17) RANKING OF SUCCESSFUL BIDDER IN EVALUATION REPORT (i.e. 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup> EVALUATION BID).  
M/S Anjum Asim Shahid Rahman 1<sup>st</sup>  
M/S Riaz Ahmed & Company 2<sup>nd</sup>

- 18) METHOD OF PROCUREMENT USED - (Tick one)
  - a) SINGLE STAGE - ONE ENVELOPE PROCEDURE  Domestic/ Local
  - b) SINGLE STAGE - TWO ENVELOPE PROCEDURE
  - c) TWO STAGE BIDDING PROCEDURE
  - d) TWO STAGE - TWO ENVELOPE BIDDING PROCEDURE

PLEASE SPECIFY IF ANY OTHER METHOD OF PROCUREMENT WAS ADOPTED i.e. EMERGENCY, DIRECT CONTRACTING ETC WITH BRIEF REASONS:

SPPRA INWARD DIARY 4535  
Dated 12/10/12  
Sindh Public Procurement  
Regulatory Authority Govt. of Sindh

19) APPROVING AUTHORITY FOR AWARD OF CONTRACT *Consultant Selection Committee*

20) WHETHER THE PROCUREMENT WAS INCLUDED IN ANNUAL PROCUREMENT PLAN?  
Yes  No

21) ADVERTISEMENT:

(i) SPPRA Website  
(If yes, give date and SPPRA Identification No.)

Yes	14 Sept 12, 9483/dot
No	

(ii) News Papers  
(If yes, give names of newspapers and dates)

Yes	Business Recorder } 14/9/12 Kawish } Daily Express }
No	

22) NATURE OF CONTRACT  Domestic  Int.

23) WHETHER QUALIFICATION CRITERIA WAS INCLUDED IN BIDDING / TENDER DOCUMENTS?  
(If yes, enclose a copy) Yes  No

24) WHETHER BID EVALUATION CRITERIA WAS INCLUDED IN BIDDING / TENDER DOCUMENTS?  
(If yes, enclose a copy) *Annex 'C'* Yes  No

25) WHETHER APPROVAL OF COMPETENT AUTHORITY WAS OBTAINED FOR USING A METHOD OTHER THAN OPEN COMPETITIVE BIDDING? Yes  No

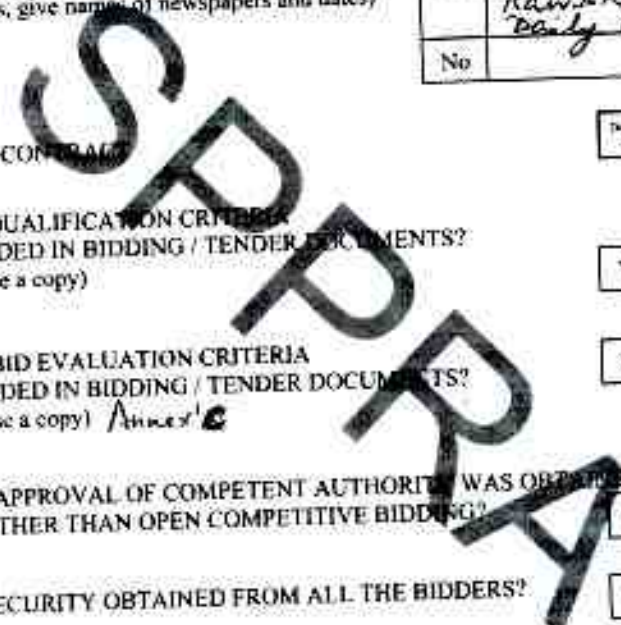
26) WAS BID SECURITY OBTAINED FROM ALL THE BIDDERS? Yes  No

27) WHETHER THE SUCCESSFUL BID WAS LOWEST EVALUATED BID / BEST EVALUATED BID (in case of Consultancies) Yes  No

28) WHETHER THE SUCCESSFUL BIDDER WAS TECHNICALLY COMPLIANT? Yes  No

29) WHETHER NAMES OF THE BIDDERS AND THEIR QUOTED PRICES WERE READ OUT AT THE TIME OF OPENING OF BIDS? Yes  No

30) WHETHER EVALUATION REPORT GIVEN TO BIDDERS BEFORE THE AWARD OF CONTRACT?  
(Attach copy of the bid evaluation report) Yes  No





31) ANY COMPLAINTS RECEIVED  
(If yes, result thereof)

Yes	
No	<input checked="" type="checkbox"/>

32) ANY DEVIATION FROM SPECIFICATIONS GIVEN IN THE TENDER NOTICE / DOCUMENTS  
(If yes, give details)

Yes	-
No	<input checked="" type="checkbox"/>

33) WAS THE EXTENSION MADE IN RESPONSE TIME?  
(If yes, give reasons)

Yes	-
No	<input checked="" type="checkbox"/>

34) DEVIATION FROM QUALIFICATION CRITERIA  
(If yes, give detailed reasons)

Yes	-
No	<input checked="" type="checkbox"/>

35) WAS IT ASSURED BY THE PROCURING AGENCY THAT THE SELECTED FIRM IS NOT  
BLACK LISTED?

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
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36) WAS A VISIT MADE BY ANY OFFICER/OFFICIAL OF THE PROCURING AGENCY TO THE  
SUPPLIER'S PREMISES IN CONNECTION WITH THE PROCUREMENT? IF SO, DETAILS TO  
BE ASCERTAINED REGARDING FINANCING OF VISIT, IF A ROAD:  
(If yes, enclose a copy)

Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
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37) WERE PROPER SAFEGUARDS PROVIDED ON MOBILIZATION ADVANCE PAYMENT IN  
THE CONTRACT (BANK GUARANTEE ETC.)?

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
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38) SPECIAL CONDITIONS, IF ANY  
(If yes, give Brief Description)

Yes	-
No	<input checked="" type="checkbox"/>

39) Date of Award of Contract: 4/12/12

Signature & Official Stamp of  
Authorized Officer

*[Handwritten Signature]*  
11/12/12



**FOR OFFICE USE ONLY**

**SPPRA, Block. No.8, Sindh Secretariat No.4-A, Court Road, Karachi**

**Tele: 021-9205356; 021-9205369 & Fax: 021-9206291**

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**TECHNICAL & FINANCIAL PROPOSALS EVALUATION REPORT**  
**SELECTION OF STATUTORY AUDITORS**

DATE: 19/10/2012

Sr	Bidder Name	Points Obtained			Status	Remarks
		(Weightage) Total Technical Points Obtained	(Weightage) Total Financial Points Obtained	Total Points		
1	Anjum Asim Shahid Rahiman	40	*38.88	78.88	1st Highest Bidder	Calculation of Financial Points 1,750,000 (amount of lowest bid) * 50 (weightage of financial portion) = *38.88 2,250,000 (bid offered)
2	Riaz Ahmad & Company	25	*50	75	2nd Highest Bidder	1,750,000 (amount of lowest bid) * 50 (weightage of financial portion) = *50 1,750,000 (bid offered)
3	Ilyas Saad & Co.	17.50	0	Disqualified	Disqualified	Financial bid not open being disqualified in technical phase

Note: Above points have been calculated keeping in view of the following as per criteria given in the tender document.  
 Qualifying Marks 50%  
 Weightage of Technical Evaluation 50%  
 Weightage of Financial Evaluation 50%

  
 Lt Col (R) Shahzad Begg  
 Head of Administration

Members of Consultant Selection Committee

Signature

Date

Chief Financial Officer

Head of HR

Officer from Finance Division

Annex A

**2.6.5 Eligibility Criteria**

SNDB shall evaluate proposals using the following eligibility criteria.

Sr. No.	Descriptions	Total Marks	Marks Obtained	Remarks	Attachment of relevant evidence in each case is mandatory. In case of non-compliance no mark will be awarded	Attach evidence as
1	Number of Offices	20		4 and above	List be attached with complete address/email/telephone/fax numbers	Annexure "A"
		15		3 and above		
		10		2 and above		
2	Number of Partners	20		10 and above	Names be attached	Annexure "B"
		15		8 and above		
		10		5 and above		
3	Total number of qualified Chartered Accountants (excluding partners) and Professional Staff	20		10 and above	Names along with their qualifications and period of association with the firm be attached	Annexure "C"
		15		8 and above		
		10		5 and above		
4	Statutory external auditors for scheduled commercial banks and other development financial institutions for the last 2 years	40		10 and above	Attached list	Annexure "D"
		20		5 and above		
		10		3 and above		
	<b>TOTAL MARKS</b>	<b>100</b>				

**Note**

1. Weightage ratio of Eligibility and Financial criteria is 50/50.
2. Acquiring of 50% marks in eligibility criteria will make the firm qualify for taking part in financial phase.



# TENDER DOCUMENT COLLECTION FORM

STATUTORY AUDITORS

S. No.	Date	Company Name	Representative Name	Contact No.	E-mail Address	Amount	Bank's Name	P O No.	Signature
1	27. sep	BDO. ERAMM	Zeehan	0312-23888	atofal@bdo.com.pk	200/-	faysal	04192769	Zeehan
2	28/09/12	TLyes Saad	WAMOOD	031325938	atofal@bdo.com.pk	200/-	JS	001493	JS
3	28/10/12	MOLWATI HUSOON CHAUDHRY	MUJASSIR IBERA	0346-308845	Mud - Jaisal 10 E yashoo.com	200/-	UBL	5116104	JS
4	04/10/12	Mawad Of Altya Sages	Mohammad Sultan	0302259264	K.H. Q.S.K.2010.com	200/-	MCB	35621909	Mawad
5	04/10/12	ANJUM ASIM SHAMUD	M. WAQAS	0300-7272442	kinnai@gpax.com	200/-	MCB	4431744	M. Waqas
6	8/10/12	RINZ AHMAD & COMPANY	M. Jawad	0301-822712	ab@racep.com	200	ABL	10631809	M. Jawad

AVAILABILITY OF TENDER DOCUMENT

FROM 26/9/12

TO 10/9/12

LAST DATE OF SUBMISSION OF TD

DATE 10/10/12

TIME 12:30

Amir B

### 3 SCOPE OF WORK

Sindh Bank Limited (SNDB) requires proposal from well reputed companies for providing statutory audit services to Bank during the year, which includes half yearly audit, annual audit and all regulatory certificate such as CDC, MCR, CCG and other certificates.

Contract agreement will be renewable upto 3 years on mutual understanding on same terms & conditions and rates.

#### 3.1 Terms of Reference

S#	Description	Response (write Yes/No against the column where the firm will be able to provide the services or otherwise)	
		YES	NO
1	Annual Audit		
2	Half Yearly Review		
3	Other Certifications:		
	i. MCR		
	ii. CCG		
	iii. CDC		





manner so required and respectively give a true and fair view of the state of the Bank's affairs at the close of year and its true balance of profit, its cash flows and changes in equity for the year then ended. Our audit will be conducted with the objective of our expressing an opinion on the financial statements.

### General provisions of Audit

#### Responsibilities of Auditors

We will conduct our audit in accordance with Auditing standards as applicable in Pakistan. These standards require that we comply with ethics requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Our report will be addressed to the members of the bank. We cannot provide assurance that an unqualified opinion will be rendered and circumstances may arise in which it would be necessary for us to modify our report or withdraw from the engagement. In such circumstances, all findings or reasons for withdrawal will be communicated to the Board of Directors.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control system, there is an unavoidable risk that even some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Auditing Standards as applicable in Pakistan.

In making our risk assessments, we consider internal control relevant to the Bank's preparation of financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies in internal control relevant to the audit of financial statements that we have identified during the audit.

As part of our audit, we will read the other information in your annual report and consider whether such information, or the manner of its presentation, is materially consistent with information, or the manner of its presentation, appearing in the financial statements. However, our audit does not include the performance of procedures to corroborate such other information (including forward looking statements).

As part of our statutory audit, we are also required by the *Banking Companies Ordinance, 1962 (LXVII of 1962)*, and *Companies Ordinance, 1984 (XLVII of 1984)* to form our opinion on whether:

- a) proper books of account have been kept by the Bank as required by *the Banking Companies Ordinance, 1962 (LXVII of 1962)* and *Companies Ordinance, 1984 (XLVII of 1984)*;
- b) the financial statements together with the notes thereon have been drawn up in conformity with *the Banking Companies Ordinance, 1962 (LXVII of 1962)* and *Companies Ordinance, 1984 (XLVII of 1984)*;

13.2.1982 and are in agreement with the books of account and vouchers in accordance with accounting policies consistently applied.

- a) the expenditure incurred during the year was for the purpose of the Bank's business;
- b) in business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Bank and the transactions of the Bank which have come to our notice have been within the powers of the Bank;
- c) the returns received from branch offices of the Bank have been found adequate for the purposes of the audit; and
- d) Zakat deductible at source under the Zakat and Usur Ordinance, 1980 (XXVII of 1980) has been deducted by the Bank and deposited in the Central Zakat Fund established under section 10 of that Ordinance.

#### Responsibilities of the Management

Our audit will be conducted on the basis that the management of the Bank whose financial statements are to be audited and where appropriate, those charged with governance acknowledge and understand that they have responsibility:

- for the preparation and fair presentation of the financial statements in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984 and Banking Companies Ordinance, 1962 (LVII of 1962) and the directives issued by State Bank of Pakistan (SBP). In case the requirements differ the provisions of and directives issued under the Companies Ordinance, 1984 and Banking Companies Ordinance, 1962 and the directives issued by SBP shall prevail.
  - for such internal controls as the management determines is necessary to enable the preparation of financial statements that are free from misstatements, whether due to fraud or error;
  - for selecting and applying appropriate accounting policies; and
  - for making accounting estimates and judgements that are appropriate in the circumstances.
- to provide us with:
- access to all information of which the management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
  - additional information that we may request from the management for the purpose of audit; and
  - unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.





## Deliverables

We will provide you an audit opinion based on our audit of the financial statements.

### Review of condensed interim unconsolidated financial information for the six month period

Our review will be conducted in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the International Auditing and Assurance Standards Board with the objective of providing us with a basis for reporting whether anything has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with the Approved Accounting Standards as applicable in Pakistan for interim financial reporting.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures and does not ordinarily require corroboration of the information obtained. The scope of a review of interim financial information is substantially less than the scope of an audit conducted in accordance with International Standards on Auditing whose objective is the expression of an opinion regarding the financial statements and, accordingly, we shall express no such opinion.

Responsibility for the interim financial information, including adequate disclosure, is that of management of the Bank. This includes designing, implementing and maintaining internal control relevant to the preparation and presentation of interim financial information that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. We will also request that where any document containing interim financial information indicates that the interim financial information has been reviewed, our report will also be included in the document.

A review of interim financial information does not provide assurance that we will become aware of all significant matters that might be identified in an audit. Further, our engagement cannot be relied upon to disclose whether fraud or errors, or illegal acts exist. However, we will inform the management of any material matters that come to our attention.

As part of our review process, we will request written representations from management concerning assertions made in connection with our review. Because of the importance of management's representations to the effective performance of our services, the Bank will release audit firms and its personnel from any claims, liabilities, costs, and expenses relating to our services under this letter attributable to any misrepresentations in the representation letter.

If in the course of our review we find increased risk of potential misstatements in the interim financial information we may decide that further more detailed enquiries or examinations are necessary for us to reach conclusions. We shall discuss the nature and extent of these procedures with the Bank before undertaking any such procedures.

## Deliverables

We will provide you a review report based on our review of the financial statements in accordance with the requirements of International Standard on Review Engagements 2410.

**Review of Interim Financial Information Performed by the Independent Auditor of the Bank**

**Audit of Statements on Minimum Capital Requirements (MCR), PLS rates and schedule of provisions for advances and off balance sheet items and certain other certifications in our capacity as the statutory auditors.**

We are also required to audit the statement of MCR, PLS rates and provisions for advances and off balance sheet items prepared at the year-end and certain other certifications in our capacity as statutory auditors. The management is responsible for preparation of these statements in accordance with the guidelines issued by State Bank of Pakistan or the requirements of Seventh Schedule to the Income Tax Ordinance, 2001. Our responsibility is to issue an opinion, based on our audit, whether the statement of MCR gives a true and fair view of the Minimum Capital Requirement of the Bank as of the year end in accordance with the guidelines issued by State Bank of Pakistan for preparation of such statement, whether the PLS rates declared are in accordance with the books and records of the Bank and whether schedule of provision for advances and off balance sheet items has been prepared in all material respects in accordance with the Prudential Regulations issued by State Bank of Pakistan.

**Deliverables**

We will issue an audit opinion on the statement of MCR and a report on PLS rates and provision for advances and off balance sheet items.

**Review Statement of Compliance with Best Practices of Code of Corporate Governance**

The responsibility for compliance with the Code of Corporate Governance rests with the Board of Directors of the Bank. Directors are responsible for issuing statement of compliance with Best Practices of Code of Corporate Governance issued by Securities and Exchange Commission of Pakistan to comply with Prudential Regulation G-1. We as auditors of the Bank have responsibility to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Bank's compliance with the provisions of the Code of Corporate Governance and report if it does not.

**Deliverables**

We will provide you a review report on statement of compliance with best practices of code of corporate governance as per the format prescribed by the Institute of Chartered Accountants of Pakistan.

**General**

**Electronic publication and distribution of financial statements**

We acknowledge that the Bank may wish to publish its financial statements and our reports thereon on its website. It is the responsibility of the directors to ensure that financial statements and our reports thereon being published on the Bank's website are properly presented. The directors would also be responsible to adopt appropriate processes and implement necessary controls to maintain security and integrity of the website and financial statements and our reports being published thereon.



We are not required to test or review, as part of our audit and review of financial statements, the controls over the security and integrity of the website.

The Bank undertakes to inform us of its intention and seek our consent to publish financial statements together with our reports thereon, on its website, prior to such publication. We have a right to withhold consent to the publication of our reports with the financial statements, where we feel that the financial statements to which they relate are not being presented in an appropriate manner.

The Bank undertakes to publish a statement with the electronic version of financial statements and our reports thereon, as follows:

"The management and directors of the Bank are responsible for accurate presentation of these financial statements. Anjum Asim Shahid Rahman, Chartered Accountants, are not responsible for errors, omissions and discrepancies in the electronic version of financial statements and their reports thereon. The auditors shall remain bound by the hard copy version of the financial statements and their reports thereon available at the registered office of the Bank."

The directors retain full responsibility for distributing financial statements and other financial information to shareholders electronically.

We may review the process by which the financial statements to be published electronically are derived from the paper-based versions of financial statements reviewed or audited by us.

We may carry out such procedures deemed necessary to verify that the proposed electronic version is identical in content with the paper-based versions of the financial statements and our reports thereon and that the conversion has not distorted the overall presentation of the financial statements and our reports thereon, for example highlighting certain information so as to give it greater prominence.

We have a right to receive and to retain a printout or disk of the final electronic version of the financial statements and our reports thereon for future reference.

#### Timetable

If you require us to complete our work under this engagement contract or any part of it, by a specific date or time, you will inform us in writing of your requirement. Whilst we will make every effort to complete such work by the date specified, you acknowledge that meeting any such requirement will rely on you providing reasonable notice of your requirement and the timely provision of such information, as we may need to complete the work concerned.

#### Fee arrangement

Our fees, which will be billed as work progresses, are based on the time required by the individuals assigned to the engagement in addition to direct out-of-pocket expenses. Out of pocket expenses include conveyance, communication, photocopy charges, outstation trip expenses and other expenses incurred for the purpose of audit / review.

Our fee for the above services would be Rs. 2,250,000. Out of pocket expenses will be billed on actual basis.



We would expect to agree the payment of our fees, including payments on account, before each year's audit and performance of other professional services. Our fee notes are payable within 15 days. Audit fees for subsequent year will be the subject of separate correspondence without prejudice to the other terms and conditions as stipulated in this letter.

#### Standard terms and conditions

We accept this engagement and will commence work on the basis that our Standard Terms and Conditions as set out in Annexure "A" will apply to this work and govern our relationship with you. This letter is the 'Engagement Letter' mentioned in our Standard Terms and Conditions. Please read these Standard Terms and Conditions carefully in conjunction with the contents of this Engagement Letter.

This Engagement Letter will be effective for future periods unless it is terminated, amended or superseded.

Under a directive issued by the Institute of Chartered Accountants of Pakistan to audit firms on 1 June 2010, our working paper files pertaining to the audit of the Bank may be subject to Quality Control Review (QCR) without any reference to the Bank.

In the event auditors are requested pursuant to subpoena or other legal process to produce or document relating to this engagement for the Bank in judicial or administrative proceedings to which auditors are not a party, the Bank shall reimburse reasonable expense incurred in responding to such requests. Please confirm your agreement to and acceptance of the terms of this letter by signing and returning to us the enclosed copy. If there are any aspects that you wish to discuss, please let us know.

Yours faithfully,

  
Anjum Asim Shahid Rahman  
Chartered Accountants

I have read and understood the terms and conditions of this letter and attachments and I agree to accept them for and on behalf of Saudi Bank Limited by whom I am duly authorized.

Name: Muhammed Bilal Sheikh  
Designation: President & CEO  
Signature: [Signature]  
Date: December 11, 2012

## Standard Terms and Conditions

### 1. Introduction

Anjum Asim Shahid Rahman, Chartered Accountant (hereinafter referred to as "AASR") has set out in this document the basic terms and conditions of business (the "Standard Terms and Conditions") which together with our Engagement Letter (together called "this Agreement"), apply to *Audit and other related services* which AASR will undertake for the addressee (s) of the Proposal or Engagement Letter to which these Standard Terms and Conditions are attached. If there is any conflict between these Standard Terms and Conditions and our Engagement Letter, the Engagement Letter shall prevail.

#### Definitions

The meanings of the following words and phrases which are widely used in these Standard Terms and Conditions shall be as set out below:

**Services** - the services to be delivered by us under the Engagement Letter.

**AASR, Auditors, firm or we or us or our** - Anjum Asim Shahid Rahman contracting party it does not refer to Grant Thornton International (GTI) and/or any other Grant Thornton member firm.

**You or your or Client or Company (and derivatives)**- the addressee (or addressees) of the Engagement Letter, contracting with us.

For the purposes of these Standard Terms and Conditions "AASR" includes its partners, executive directors and employees.

### 2. Our services and responsibilities

- The Engagement Letter shall set out the services to be delivered by us and associated matters. These Standard Terms and Conditions shall be subject to variation if required in the Engagement Letter.
- The services shall be delivered with reasonable skill and care.

### 3. Limitation on Warranties. This is a service engagement. AASR warrants that these will perform services under the engagement letter in good faith, with qualified personnel in a competent and workmanlike manner in accordance with applicable industry standards. AASR disclaims all other

warranties, either express or implied, including, without limitation, warranties of merchantability and fitness for a particular purpose.

### 4. Confidentiality

"Confidential information" means all documents, software, reports, data, research forms and other materials obtained by one party (the "Receiving Party") from the other party (the "Disclosing Party") in the course of performing the services under the Engagement Letter: (i) that have been marked as confidential; (ii) whose confidential nature has been made known by the Disclosing Party to the Receiving Party; or (iii) that due to their character and nature a reasonable person under like circumstances would regard as confidential. Notwithstanding the foregoing, Confidential Information does not include information which: (i) is already known to the Receiving Party at the time of disclosure by the Disclosing Party; (ii) becomes publicly known through no wrongful act of the Receiving Party; (iii) is independently developed by the Receiving Party without benefit of the Disclosing Party's Confidential Information; or (iv) is received by the Receiving Party from a third party without restriction and without a breach of an obligation of confidentiality.

The Receiving Party will deliver to the Disclosing Party all Confidential Information of the Disclosing Party and all copies thereof when the Disclosing Party requests the same, except for one copy thereof that the Receiving Party may retain for its records. The Receiving Party shall not use or disclose to any person, firm or entity any Confidential Information of the Disclosing Party without the Disclosing Party's express prior written permission, provided however that notwithstanding the foregoing, the Receiving Party may disclose Confidential Information to the extent that it is required to be disclosed pursuant to a statutory or regulatory provision or court order or to fulfil professional obligations and standards.

Each party shall be deemed to have met its nondisclosure obligations under this paragraph as long as it exercises the same level of care to protect the other's information as it exercises to protect its own confidential information but in no event less than



reasonable care, except to the extent that applicable law or professional standards impose a higher requirement.

If the Receiving Party receives a subpoena or other validly issued administrative or judicial demand requiring it to disclose the Disclosing Party's Confidential Information, the Receiving Party shall provide prompt written notice to the Disclosing Party of such demand in order to permit it to seek a protective order. So long as the Receiving Party gives notice as provided herein, the Receiving Party shall be entitled to comply with such demand to the extent permitted by law, subject to any protective order or the like that may have been entered in the matter.

**5. Disclosure of Confidential Information**

- AASR may share Confidential Information with other member firms of Grant Thornton International in the course of and for the purpose of delivering the agreed services.
- AASR processes client information using Grant Thornton International's electronic communications systems, knowledge management, and information technology facilities and applications in its audit and other client service engagements. In connection with that use, Client data (including Confidential Information) may be transferred across national borders and processed or stored in remote locations. The auditors and its International firms take reasonable steps to preserve the confidentiality of such data.
- For the purposes of delivering services to Client or other clients, the audit firm and other member firms of their International firms shall be entitled to use, develop and share with each other knowledge, experience and skills of personal application gained through performing the services.
- The auditors may share Confidential Information with their International affiliates and its member firms in order to improve their understanding of clients and their business processes and practices, and to develop their intellectual capital. To the extent that intellectual capital derived from client data is disclosed to third parties (for example, in "white pages" or reports regarding industry-wide developments), such information is rendered anonymous and not subject to association with any identifiable client.

- AASR may share Confidential Information within the firm Grant Thornton International and its member firms in order to allow AASR to identify and offer to the Client additional services or products that may be of interest to the Client.

- AASR may share your Confidential Information through eAudit to access consolidated representations of information relating to a particular audit, so that relevant audit engagement teams may access and share the most updated information relating to the audit on certain case management systems with appropriate access controls, including restrictions on printing privileges.

- to allow tracking and oversight by partners, managers and others with appropriate privileges of the progress of audit engagements.
- to deliver appropriate knowledge and guidance to audit engagement teams during the course of an audit.
- to facilitate the conduct of an audit by audit engagement teams and
- as part of our use of global information technology systems that have been built in a container with industry best practice and which are subject to appropriate access controls.

- For the purposes of presentation to Client or our internal use, AASR, Grant Thornton International and its member firms may disclose that it has performed services for Client, in which event it may identify Client by name and/or its logo and will indicate only the general nature or category of such services and any details that have previously entered the public domain.

**6. Use of names, logos, and trademark.** For purposes of the services described in the Engagement Letter only, Client hereby grants to AASR a limited, revocable, non-exclusive, non-transferable, paid-up and royalty-free license, without right of sublicense, to use all names, logos, trademarks and service marks of Client solely for presentations or reports to Client or for instructions, reports and to AASR office.

**7. Arrangement pertaining to updating reports.** We shall not be under any obligation in any circumstances to refile any report or



any deliverables, oral or written, for events occurring after the advice, reports or deliverables concerned has been issued in final form.

9. **Reporting restrictions.** Reports will be prepared solely in connection with and for use in accordance with the terms of the Engagement Letter. AASR will report exclusively and directly to Client. Our reports will be provided on the basis that they are for your information only and that they will not be copied or disclosed to any third party or otherwise quoted or referred to, in whole or in part, without our prior written consent.

Our reports shall be delivered on the basis that we shall not quote our name or logo or any other logo in any form without our written consent.

Subject to AASR's prior written approval, the report may be released to third parties in its full version only. This release must include a written statement setting out the purpose of the engagement, restrictions on releasing the report to other parties and the restrictions of AASR's liability to any third party. The release is conditional upon the third party agreeing in writing to accept that AASR will have no responsibility or liability to such third party in connection with the provision of the report, and confirming that the third party will not release the report to any other parties and will indemnify AASR from any claims, actions directly or indirectly from the release of the report to the third party. The release of the report will also be confidential upon Client confirming that Client has all necessary permissions from relevant parties, to authorize the release of AASR report and that there are no duties of confidentiality owed to any party which would prevent the report from being released. Client will indemnify AASR from all claims or costs arising out of a breach of this restriction on releasing the report to third parties.

This condition shall not apply to general purpose audit and review reports, and reports and certificates issued for submission to regulatory authorities and other parties pursuant to any statute, regulation, rule, etc.

9. **Ownership.** **Firm Technology.** Firm has created, acquired or otherwise has rights in, and may, in connection with the performance of services under the Engagement Letter, create, develop, provide, modify, create,

acquire or otherwise obtain rights in, various concepts, ideas, methods, methodologies, procedures, processes, know-how and techniques (including, without limitation, financial, process, system and data models) (collectively, the generalised elements of the structure, sequence and organisation of software, user interfaces and screen designs) (general purpose accounting and software tools, utilities and routines) and logic, coherence and methods of operation of systems (collectively, the "Firm Technology").

- b) **Ownership of Deliverables.** We shall retain ownership of the copyright and all other intellectual property rights contained in the work product of the services, whether tangible or intangible, including our working papers. You can acquire ownership of work product of the Services in its tangible form as payment of our charges for any such product. To the extent that any firm Technology is contained in any of the Deliverables, firm hereby grants client, upon full and final payment to firm hereunder, a royalty free, paid-up, worldwide, non-exclusive license to use such firm Technology in connection with client's use of the work product of deliverables.

- c) **Ownership of Firm Property.** To the extent that firm creates any of its property (including, without limitation, the firm Technology or any hardware or software) in connection with the performance of services hereunder, such property shall remain the property of firm and, except for the license expressly granted in the preceding paragraph, Client shall acquire no right or interest in such property. Nothing in the Engagement Letter shall be construed as precluding or limiting in any way the right of firm to provide consulting or other services of this kind or nature whatsoever to any person or entity as firm in its sole discretion deems appropriate. In addition, and notwithstanding anything in Engagement Letter to the contrary, the parties acknowledge and agree that (a) firm will own all right, title, and interest, including, without limitation, all rights under all copyright, patent and other intellectual property laws, in and to the firm Technology and (b) firm may assign, modify, store and otherwise use the

any deliverables, oral or written, for events occurring after the advice reports or deliverables concerned has been issued in final form.

8. **Reporting restrictions.** Reports will be prepared solely in connection with and for use in accordance with the terms of the Engagement Letter. AASR will report exclusively and directly to Client. Our reports will be provided on the basis that they are for your information only and that they will not be copied or disclosed to any third party or otherwise quoted or referred to, in whole or in part, without our prior written consent.

Our reports shall be delivered on the basis that you shall not quote our name or reproduce our logo in any form without our written consent.

Subject to AASR's prior written approval, the report may be released to third parties in a limited version only. This release must include a written statement setting out the purpose of the engagement, restrictions on releasing the report to other parties and the restrictions of AASR's liability to any third party. The release is conditional upon the third party agreeing in writing to accept that AASR will have no responsibility or liability to such third party in connection with the provision of the report, and confirming that the third party will not release the report to any other parties and will indemnify AASR from any claims arising directly or indirectly from the release of the report to the third party. The release of the report will also be conditional upon Client confirming that Client has all necessary permissions from relevant parties to authorize the release of AASR report, and that there are no duties of confidentiality owed to any party which would prevent the report from being released. Client will indemnify AASR from all claims or costs arising out of a breach of this restriction by releasing the report to third parties.

This condition shall not apply to general purpose audit and review reports, and reports and certificates issued for submission to regulatory authorities and other parties pursuant to any statute, regulation, rule, etc.

9. **Ownership**

a) **Client Technology.** Firm has created, acquired or otherwise has rights in, and may, in connection with the performance of services under the Engagement Letter, use, employ, provide, modify, create,

acquire or otherwise obtain rights in various concepts, ideas, methods, methodologies, processes, processes, know-how, and techniques, know-how (including, without limitation, software, process, system and data models), templates, the generalized features of the structure, sequence and organization of software, user interfaces and screen designs, general purpose consultation and software tools, utilities and routines, and logic, coherence and methods of operation of systems (collectively, the "Firm Technology").

b) **Ownership of Deliverables.** We shall retain ownership of the copyright and all other intellectual property (notwithstanding in the work product of the Firm), whether oral or tangible, and otherwise in our working papers. You can request ownership of work product of the Firm in its tangible form on payment of our charges for any work product. To the extent that any Firm Technology is contained in any of the Deliverables, Client hereby grants Client, upon full and final payment to Firm hereunder, a royalty-free, paid-up, worldwide, non-exclusive license to use such Firm Technology in connection with Client's use of the work product or deliverables.

c) **Ownership of firm property.** To the extent that Firm utilizes any of its property (including, without limitation, the Firm Technology or any hardware or software of Firm) in connection with the performance of services hereunder, such property shall remain the property of Firm and, except for the license expressly granted in the preceding paragraph, Client shall acquire no title or interest in such property. Notwithstanding the Engagement Letter shall be construed as, including without limitation in any way, to not obligate Firm to provide consulting or other services of any kind or nature whatsoever to any person or entity as Firm in its sole discretion deems appropriate. In addition, and notwithstanding anything to the contrary herein to the contrary, the parties acknowledge and agree that (a) Firm will own all right, title, and interest, including, without limitation, all rights under all copyright, patent and other intellectual property laws; or (b) to the Firm Technology and all Firm Intellectual Property, including but not limited to:



the firm Technology (including, without limitation, providing services or creating programming and materials for other clients).

10. **Our charges:** You agree to pay properly submitted invoices within fifteen (15) days of the invoice date (or any other date that is agreed to in writing). All fees, charges and other amounts payable to us hereunder do not include any sales, excise, value added or other applicable taxes, tariffs or duties, payment of which shall be your sole responsibility, excluding any applicable taxes based on our net income or taxes arising from the employment of independent contractor relationship between us and our personnel. However, if by the time we raise our rates, any tax, levy, surcharge is imposed on our services, such tax, levy, surcharge shall be paid for by Client in addition to the fee for professional services.

11. **Your responsibilities.** Notwithstanding our duties and responsibilities as set forth in the Services, you shall retain responsibility and accountability for:

- the management, conduct and operation of your business and your affairs. We will not perform functions of an employee or management;
- deciding on your use of, choosing to what extent you wish to rely on, or implementing advice or recommendations or other product of the Services supplied by us;
- the delivery, achievement or realization of any benefits directly or indirectly related to the Services which require implementation by you.

Where you require us of the nature of the Services, it may be that it is likely to be more efficient for us to perform work at your premises or using your computer systems or systems networks, you shall ensure that all arrangements are made for access, security, protection, access, checks, facilities, services or conditions as may be required (without cost to us).

12. **Availability of information / documents:** In order for us to perform the services, you have agreed to ensure that any information which we may require for the purpose of providing the services set out in the Engagement Letter is made available to us in the form specified by us and when we may reasonably require, including instructions from any

foreign office of Grant Thornton, we will advise you if such information that we have requested is deemed to us you shall provide information that is not complete or developed in such a manner as to be appropriate. We may have a hearing on the matters and we shall not be held responsible or liable if information material to our task is withheld or concealed from us or fraudulently represented to us. We may rely on any instructions or requests made or notices given or information supplied, whether orally or in writing, by any person whom we know to be or reasonably believe to be authorized by you to communicate with us for such purposes.

13. **Cooperation:** Client agrees to cooperate with AASB in the performance of the services under the Engagement Letter and shall provide them with timely access to and use of Client's personnel, facilities, equipment, data and information to the extent necessary for the auditors to perform the services under the Engagement Letter. The Engagement Letter may set forth additional obligations of Client in connection with the engagement. Client acknowledges that Client's failure to fulfill these obligations could adversely affect auditors' ability to provide the services under the Engagement Letter.

Client acknowledges and agrees that auditors may, in performing the services under the Engagement Letter, use data, material, and other information furnished by Client without any independent investigation or verification and the auditors shall be entitled to rely upon the accuracy and completeness of such information in performing the services under the Engagement Letter.

14. **Staff:** In case you being a local Listed Company, hereby declare that based on the provisions of the Securities and Exchange Code of 1933, as amended, you will not make an "Insider Transaction" as defined in Rule 10b-5 of the Securities Exchange Act of 1934, as amended, for any AASB employee involved in the provision of audit service to you for the position of Chief Executive Officer, Chief Financial Officer, Internal Auditor or Director.

15. **Electronic mail:** We may communicate with you by electronic mail, on the basis that in consenting to this method of communication, you accept the inherent risks (including the security risks of interception of or unauthorized access to such communication) and the risks of latency or



and e-mail devices) and that you shall perform virus checks.

The Engagement Letter shall serve as Client authorization for the use of e-mail and other electronic methods to transmit and receive information, including confidential information, between AASR and Client, between AASR and outside specialists or other entities engaged by either AASR or Client.

#### 16. Knowledge and Conflicts

The Engagement Team shall not be required, expected or deemed to have knowledge of any information known to Colleagues (not being engagement team members) which is not known to the Engagement Team or be required to obtain such information from Colleagues.

The Engagement Team shall not be required to make use of or to disclose to you any information, whether known to them personally or known to Colleagues, which is confidential to another client.

There are available safeguards designed to facilitate the protection of each client's interests, including (for example) separate teams, their geographical and operational separation, and access controls over computer servers and electronic mail systems ("Barriers").

We or other AASR persons may be approached to advise another party or parties where there is no adversarial conflict between you and that other party but where the other party's interests compete with yours specifically and directly in relation to the subject-matter of the services ("Competing Party" or "Competing Parties"). We seek and shall seek to identify Competing Parties. If you become or become aware that a AASR person is advising or proposing to advise a Competing Party, you shall inform us promptly.

When a party being advised by us has been identified by us or notified by you as a Competing Party, we shall activate appropriate barriers to protect your own and the other parties' confidentiality and when such barriers are operating we shall be entitled to advise the Competing Party (save in relation to a situation where your interests and those of the other party are directly and specifically opposed).

Conflict of interest shall not arise where another AASR person is appointed to be in office in his capacity as an independent practitioner (licensed under insurance legislation or otherwise) in respect of a party or of an organization with which you subsequently becomes involved in any dispute with you in which case the independent practitioner shall be entitled to act at any time in that capacity.

17. **Independence.** If we begin performing services for you and subsequently identify circumstances which may prejudice our independence in relation to that or other work we perform for you, your parent company or any affiliate within your company structure, we may need to cease work on the engagement. Where this occurs, we will seek to resolve the situation as quickly as possible and will seek a solution that allows us to continue with the engagement. In the event that we consider the situation cannot be resolved, we may have to terminate the services and we shall be entitled to do so on notice taking effect immediately on doing so, but we shall contact you before we take that step. Such termination will not affect you or our rights accrued to the date of termination.

18. **Variations in writing.** Any variation to the terms of the Engagement Letter shall be in writing and will not be effective unless signed by a partner of AASR and by Client authorized representative.

19. **Third party rights.** The engagement shall not create or give rise to, nor shall it be intended to create or give rise to any third party rights. No third party shall have any right to enforce or rely on any provision of the engagement letter, which does or may confer any right or benefit on any third party, directly or indirectly, expressly or implied. The application of any law which is not conferring on third parties contractual or other rights in connection with the engagement letter shall be excluded. No AASR person shall be deemed to be a third party for the purposes of this Part.

20. **Independent contractor.** It is understood and agreed that each of the parties hereto is an independent contractor and that neither you, or, nor shall be considered to be, an agent, distributor or representative of the other. Neither party shall act or express itself directly or by implication, as an agent of the other or in any manner assuming or creating

obligation on behalf of, or in the name of the other.

21. **Force majeure.** Neither Client nor Firm or either shall be liable to the other for any delays resulting from circumstances or causes beyond its reasonable control, including, without limitation, fire or other casualty, act of God, strikes or labor disputes, war or other hostilities, or new law, order or requirement of any governmental agency or authority. In the event of any such occurrence affecting one of the parties, that one shall be obliged as soon as reasonably practicable to notify the other.
22. **Assignment.** Except as provided below, neither party may assign, transfer or delegate any of the rights or obligations hereunder without the prior written consent of the other party. Firm may assign its rights and obligations hereunder to any affiliate that is a successor in interest to all or substantially all of its assets or business of firm practice, without the consent of Client. Failure by any one of us to exercise or enforce any rights available to us shall not amount to a waiver of any rights available to either of us.
23. **Limitation on Liabilities and Damages.** Client agrees that neither partner, executive director and employees shall not be liable to Client for any actions, damages, claims, liabilities, costs, expenses, or losses in any way arising out of or relating to the services performed hereunder for an aggregate amount in excess of the fees paid by Client to Firm under the engagement (except to the extent determined to have resulted from the intentional or deliberate misconduct of the auditors' personnel). In no event shall Firm, its partners, executive directors or employees be liable for consequential or indirect, incidental, punitive or exemplary damages, costs, expenses, or losses (including without limitation, lost profits and opportunity costs). In furtherance and not in limitation of the foregoing, Firm will not be liable in respect of any decision made by Client as a result of the performance by Firm of its services hereunder. The provisions of this Paragraph shall apply regardless of the form of action, damage, claim, liability, cost, expense or loss, whether in contract, tort, negligence or otherwise.

We expressly disclaim any liability to any third party for any loss, whether economic or

otherwise, directly or indirectly, suffered due to implementation of our recommendations.

Moreover, neither Client nor Firm shall be responsible to the other for all or any of the following: (a) any loss or damage suffered by either party as a result of any action taken in reliance on any advice or information furnished by any party, resulting to work carried out by us under the terms of the engagement. The firm will not assume any liability arising out of any interpretation made out of its observations and findings resulting from its engagement.

24. **Indemnity provisions.** The client agrees to indemnify, hold harmless and defend the auditors from and against any and all liabilities for physical injury to or illness or death of, any person or persons (regardless of status), and damage to or destruction of any tangible property, which they may sustain or incur, to the extent such liabilities result from the negligence or willful misconduct of the client.

Client also agrees to indemnify and hold harmless the auditors from and against all and all costs, expenses, losses, claims, demands, actions, suits, or proceedings, whether incurred or suffered or made or incurred (regardless of any third party claim or award or contribution with the auditors) in connection with the exercise of rights of defense by the auditors, including counsel fees, that are incurred by or for the auditors in connection with the exercise of such rights.

25. **Survival.** The provisions of paragraphs 1, 2, 3, 6, 7, 8, 9, 11, 14, 18, 19, 20, 21, 22, 24, 25, 27, 28, 30, 31 and 32 hereof shall survive the expiration or termination of the engagement.
26. **Notice.** Any notice to you or us delivered under the agreement shall be in writing and delivered by through a carrier to the office or address designated by you in an engagement letter or otherwise appearing on the Engagement Letter (or such other address as may be notified in writing). Notices delivered by carrier shall be deemed to have arrived:
- where executed from and to addresses in the United States at 12:00 noon the next business day;
  - where posted to an international recipient on the tenth working day following the date of posting.
27. **Severability.** If any provision of this agreement is held to be unenforceable or in independent violation of the provisions or provisions of the engagement contract and

judged by any court or authority of competent jurisdiction to be void or unenforceable, then the remainder of the engagement contract shall not be affected, impaired or invalidated, and will remain valid and enforceable in the fullest extent permitted by law.

28. **Law and Jurisdiction.** The terms of the engagement shall be governed by and construed in accordance with the Pakistan Law and the parties hereby submit and consent to the jurisdiction of the Pakistan Courts.

29. **Problem resolution.** If at any time you would like to discuss with us how the Services can be improved or if you have a complaint about them, you are invited to approach the partner or director, as the case may be, identified in the Engagement Letter. If your problem is not resolved, you should contact Mr. Shaukat Naseeb, Senior Partner, by writing to him at Anjum Aam Shahid, Bahman, 3<sup>rd</sup> Floor Modern Motors House, Benjamin Road, Karachi - 75530. We will investigate any issue promptly and do what we can to resolve the difficulties.

In the event of a dispute, we reserve the right to suspend provision of the Services until such time the dispute is resolved. Suspension of the Services will not affect your obligation to pay us for Services rendered to the date of suspension.

30. **Limitation on actions.** No action, regardless of form, arising under or relating to the engagement may be brought by a third party more than one year after the cause of action has accrued, except that an action for non-payment may be brought by a party not later than one year following the date of the last payment due to such party hereunder.

31. **Entire agreement.** These Standard Terms and Conditions, and the Proposal or Engagement Letter to which these Standard Terms and Conditions are appended, including Exhibits, constitute the entire agreement between the auditor and Client with respect to the subject matter hereof and supersede all other oral and written representations, understandings or agreements relating to the subject matter hereof.

32. **Exclusivity.** The engagement shall not constitute an exclusivity agreement whereby we are prohibited from being engaged to any other work relating to other clients or third parties in the course of the engagement. In the event of such conflict of interest arising during

the engagement, the auditor reserves the right to decide whether to continue with or terminate the engagement.





**TECHNICAL & FINANCIAL PROPOSALS EVALUATION REPORT**  
**SELECTION OF STATUTORY AUDITORS**      **DATE: 19/10/2012**

Sl	Bidder Name	Points Obtained			Status	Remarks
		(Weightage) Total Technical Points Obtained	(Weightage) Total Financial Points Obtained	Total Points		
1	Anyum Asim Shahid Rahman	40	*38.88	78.88	1st Highest Bidder	1,750,000 (amount of lowest bid) x 50 (weightage of financial portion) = *38.88 2,250,000 (bid offered)
2	Riaz Ahmad & Company	25	*50	75	2nd Highest Bidder	1,750,000 (amount of lowest bid) x 50 (weightage of financial portion) = *50 1,750,000 (bid offered)
3	Ilyas Saeed & Co.	17.50	0	Disqualified	Disqualified	Financial bid not open being disqualified in technical phase


**Note:** Above points have been calculated keeping in view of the following as per criteria given in the tender document:


- Qualifying Marks 50%
- Weightage of Technical Evaluation 50%
- Weightage of Financial Evaluation 50%

  
 Lt Col (R) Shahzad Begg  
 Head of Administration

Members of Consultant Selection Committee

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Chief Financial Officer: 

Head of HR: 

Officer from Finance Division: \_\_\_\_\_