

REQUEST FOR PROPOSALS

Consultancy Services for “Development of Prefeasibility Studies on SME Businesses”

National Business Development Program on SMEs (hereinafter called NBDPs) a PSDP funded project of Ministry of Industries & Production, Government of Pakistan invites Technical and Financial sealed in separate envelopes, from Eligible Firms, having registration with the Sales Tax and Income Tax departments and who are on the Active Taxpayers List of the FBR, for conducting “**Development of Prefeasibility Studies on SME Businesses**”.

A complete set of RFP Documents may be purchased by an interested bidder on submission of a written application to the below mentioned office and upon payment of a non-refundable fee of Rs. 500/-. No RFP shall be issued on the date fixed for opening of the tender. RFP Documents can also be downloaded from www.nbdp.org.pk, free of cost.

All Proposals must be submitted to the office of undersigned at or before 2:00 PM, on 07 March, 2022. Proposals will be opened at 2:30 PM on the same day, in the presence of bidder’s representatives who choose to attend at the same address. This advertisement is also available on PPRA website at www.ppra.org.pk.

Project Director

National Business Development Program for SMEs (NBDP)

3rd Floor, Building # 03, Aiwan-e-Iqbal Complex, Egerton Road, Lahore

Ph: 042 111-111-456

Fax: 042 3634926

Email: pd@nbdp.org.pk

National Business Development Program for SMEs



REQUEST FOR PROPOSALS

Document

FOR

“DEVELOPMENT OF PREFEASIBILITY STUDIES ON SME BUSINESSES”

Bid Reference No: NBDP/BSDU/PF/2022

INVITATION TO BID

Bid Reference No: NBDP/BSDU/PF/2022

Date: 18 February, 2022

1. The “**National Business Development Program for SMEs**” (hereinafter called NBDPs) a PSDP funded project of Ministry of Industries & Production, Government of Pakistan invites sealed Proposals (Technical and Financial in separate envelopes) from Eligible Firms, having registration with the Sales Tax and Income Tax Departments and who are on the Active Taxpayers list of the FBR, for procurement of Consultancy Services for **‘Development of Prefeasibility Studies on SME Businesses’**
2. A complete set of RFP Document may be purchased by an interested bidder on submission of a written application to the below mentioned office and upon payment of a non-refundable fee of Rs. 500/-. No RFP shall be issued on the date fixed for opening of the proposals. RFP Documents can also be downloaded from www.nbdp.org.pk, free of cost.
3. A firm will be selected under **Quality and Cost Based Selection Procedure**, as per PPRA Regulations 2010, Procurement of Consultancy Services, conducted through Single Stage - Two Envelope Bidding Procedure.
4. All proposals must be accompanied by a bid security of the amount mentioned in the Bidding Data of this RFP Document.
5. Proposals prepared in accordance with the instructions given in this RFP Document must reach the address mentioned below on or before **07 March**, 2022, 2:00 PM. Proposal will be opened on the same day at 2:30 PM.
6. The RFP includes the following sections:
 - Section I – Instruction to Consultants
 - Section II – Bidding data (with evaluation Criteria)
 - Section III – Terms of Reference
 - Section IV – Standard Forms
 - Section V – General and Special Conditions of Contract
 - Section VI - Form of Bid and Annexure to Bid

Project Director

National Business Development Program for SMEs
3rd Floor, Building No. 3, Aiwan-e-Iqbal Complex, Egerton Road, Lahore
Tel: 042-111-111-456, Fax: 042-3634926,
Email: pd@nbdp.org.pk

Section I. Instructions to Consultants

A. GENERAL

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| 1. Scope of Bid & Source of Funds | <p>1.1 Scope of Bid
The employer as defined in the Bidding Data (hereinafter called “the employer”) wishes to receive Bids for the Consultancy Services summarized in the Bidding Data (hereinafter referred to as “the Consulting firm”). Bidders are required to quote for all the technical consultancy services as are detailed in the Appendix A, hereto.</p> <p>1.2 Source of Fund
The Project has been funded under Public Sector Development Program (PSDP) with a mandate to provide handholding, advice and business development support to new and existing SMEs of the country.</p> |
| 2. Eligible Bidders | <p>2.1 Bidding is open to all Consulting firms meeting the requirements as mentioned in the Invitation to Bid as well as in the Bidding Data with reference to Clause IB 11, hereto.</p> |
| 3. Cost of Bidding | <p>3.1 The bidder shall bear all the costs associated with the preparation and submission of its bid and the Employer will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the bidding process.</p> |

B. BIDDING DOCUMENTS

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| 4. Contents of Bidding Documents | <p>4.1 In addition to Invitation to Bid, the Bidding Document is as stated below, and should be read in conjunction with any Addendum issued in accordance with Sub-Clause IB.6.1</p> <ol style="list-style-type: none"> 1. Instructions to Consultants & Bidding Data 2. Agreement of Consultancy Services including: <ol style="list-style-type: none"> i. Appendix A: Terms of Reference ii. Appendix B: Reporting Requirements 3. General Conditions of Contract (GCC) & Special Conditions of Contract (SCC) 4. Standard Forms: <ol style="list-style-type: none"> A. Form of Bid Security B. Form of Bid Securing Declaration C. Form of Performance Security D. Form of Bank Guarantee for Advance Payment E. Form of Integrity Pact F. Form of Contract Agreement |
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5. Clarification of Bidding Documents

- 5.1. A prospective bidder requiring any clarification(s) in respect of the Bidding Documents may notify the Project Director / Employer at the Project Director's Employer's / address indicated in the Bidding Data.
- 5.2. The Project Director / Employer will respond to any request for clarification which it receives earlier than ten (10) days prior to the deadline for the submission of Bids. Copies of the consulting firm / Employer's response will be forwarded to all prospective bidders, at least five (05) days prior to dead line for submission of Bids, who have received the Bidding Documents including a description of the enquiry but without identifying its source.

6. Amendment of Bidding Documents

- 6.1. At any time prior to the deadline for submission of Bids, the Employer may, for any reason, whether at his own initiative or in response to a clarification requested by a prospective bidder, modify the Bidding Documents by issuing addendum.
- 6.2 Any addendum thus issued shall be part of the Bidding Documents pursuant to Sub-Clause 6.1 hereof, and shall be communicated in writing to all Consulting firms having obtained the Bidding Documents. Prospective bidders shall acknowledge receipt of each addendum in writing to the Employer.
- 6.3 To accord prospective bidders reasonable time in which to take an addendum into account in preparing their Bids, the Employer may at its discretion, extend the deadline for submission of Bids.

C. PREPARATION OF BIDS

7. Language of Bids

- 7.1 The bid prepared by the bidder and all correspondence and documents related to the Bid, exchanged by the bidder and the Employer shall be written in the English Language, provided that any printed literature furnished by the bidder may be written in another language as long as accompanied by an English translation of its pertinent passages in which case, for purposes of interpretation of the Bid, the English translation shall govern.

8. Documents Comprising the Bid

- 8.1 The bid prepared by the bidder shall comprise the following components:
 - i. Covering Letter
 - ii. Appendix (A) and Agreement for Consultancy Services duly filled and initialled, in accordance

- with the instructions contained therein & in accordance with Sub-Clause IB14.3.
- iii. Bid Security furnished in accordance with Clause IB.13.
 - iv. Power of Attorney in accordance with Sub-Clause IB 14.5.
 - v. Documentary evidence in accordance with Clause IB.11
 - vi. Documentary evidence in accordance with Clause IB.12.
 - vii. Complete proposal including the RFP Document, shall be signed and stamped by the bidder.
- 9. Sufficiency of Bid**
- 9.1. Each bidder shall satisfy himself before Bidding as to the correctness and sufficiency of his Bid and of the services rates / prices entered in the Schedule of Prices, which rates and prices shall except in so far as it is otherwise expressly provided in the Contract, cover all his obligations under the Contract and all matters and things necessary for the proper completion of the services.
- 9.2. The bidder is advised to obtain for himself at his own cost and responsibility all information that may be necessary for preparing the bid and entering into a Contract for consultancy services execution.
- 10. Bid Prices, Currency of Bid and Payment**
- 10.1 The bidder shall fill up the Schedule of Prices (Schedules to Bid) indicating the activity rates of the services to be performed under the Contract. Cost of services in the Schedule of Services Costs shall be entered keeping in view the instructions contained, hereunder.
- 10.2 Unless otherwise stipulated in the General Conditions of Contract and Special Conditions of Contract, cost of services quoted by the bidder shall remain fixed during the bidder's performance of the Contract and not subject to variation on any account.
- 10.3 The Services rates and costs in the Schedule of services costs shall be quoted by the bidder in the currency as stipulated in Bidding Data.
- 11. Documents Establishing Bidder's Eligibility and Qualification**
- 11.1 Pursuant to Clause IB.8, the bidder shall furnish, as part of its bid, documents establishing the bidder's eligibility to bid and its qualifications to perform the Contract if its bid is accepted as set out in the Bidding Data
- 11.2 Bidder / Consulting firm must possess and provide evidence of its capability and the experience to award and complete the assignment in all respects.
- 12. Documents Establishing Consulting Firm's**
- 12.1 The documentary evidence of the Consulting firm's conformity to the Bidding Documents may be in the form of literature, drawing & data and the bidder

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| Conformity to Bidding Documents | shall furnish documentation as set out in Bidding Data. |
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| 13. Bid Security | <p>13.1 Each bidder shall furnish, as part of his bid, a Bid Security in the amount stipulated in Bidding Data in Pak. Rupees in the form of Deposit at Call or a Bank Guarantee issued by a Scheduled Bank in Pakistan or Bid Security Declaration on stamp paper in favour of the Employer valid for a period up to twenty-eight (28) days beyond the bid validity date.</p> <p>13.2 Any bid not accompanied by an acceptable Bid Security shall be rejected by the Employer as non-responsive.</p> <p>13.3 The bid securities of unsuccessful bidders will be returned upon award of contract to the successful Bidder / Consulting firm or on the expiry of validity of Bid Security whichever is earlier.</p> <p>13.4 The Bid Security of the successful bidder will be returned when the bidder has furnished the required Performance Security, pursuant to Clause IB.22 and signed the Contract Agreement, pursuant to Sub-Clauses IB.21.2 & 21.3.</p> <p>13.5 The Bid Security may be forfeited:</p> <ul style="list-style-type: none"> (a) If a bidder withdraws his bid during the period of bid validity; or (b) If a bidder does not accept the correction of his Bid Price, pursuant to Sub-Clause 17.4 (b) hereof; or (c) In the case of a successful bidder, if he fails to: <ul style="list-style-type: none"> (i) Furnish the required Performance Security in accordance with Clause IB.22, or (ii) Sign the Contract Agreement, in accordance with Sub-Clauses IB.21.2 & 21.3. |
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| 14. Validity of Bids, Format, Signing and Submission of Bids | <p>14.1 Bids shall remain valid for the period stipulated in the Bidding Data after the date of bid opening.</p> <p>14.2 Schedules to Bid are to be properly completed and signed.</p> <p>14.3 No alteration is to be made in the Form of Bid except in filling up the blanks as directed. If any alteration be made or if these instructions be not fully complied with, the bid may be rejected.</p> <p>14.4 Each bidder shall submit Technical Proposal (TP) and Financial Proposal (FP) separately in clearly marked separate envelopes and prepare Original and number of copies specified in the Bidding Data of the documents comprising the bid as described in Clause IB.8 and clearly mark them</p> |
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“ORIGINAL” and “COPY” as appropriate. In the event of discrepancy between them, the original shall prevail.

- 14.5 The original and all copies of the bid shall be typed or written in indelible ink and shall be signed by a person or persons duly authorized to sign (in the case of copies, Photostats are also acceptable). This shall be indicated by submitting a written Power of Attorney authorizing the signatory of the bidder to act for and on behalf of the bidder. All pages of the bid shall be initialled and official seal be affixed by the person or persons signing the bid.
- 14.6 The Bid shall be delivered in person or sent by registered mail at the address to Employer as given in Bidding Data.

D. SUBMISSION OF BIDS

15. Bid Submission Requirements

- 15.1 For this tender PPRA’s Single Stage Two Envelop procedure as per clause 36 (b) of PPRA Rules, 2004, read with Procurement Consultancy Service Regulation, 2010 for open competitive bidding is adopted, detailed as under:
 - (i) The bid shall comprise a single package containing two separate envelopes. Each envelope shall contain separately the financial proposal and the technical proposal;
 - (ii) The envelopes shall be marked as “FINANCIAL PROPOSAL” and “TECHNICAL PROPOSAL” in bold and legible letters to avoid confusion;
 - (iii) Initially, only the envelope marked “TECHNICAL PROPOSAL” shall be opened;
 - (iv) The envelope marked as “FINANCIAL PROPOSAL” shall be retained in the custody of the procuring agency without being opened;
 - (v) The procuring agency shall evaluate the technical proposal in a manner prescribed in advance, without reference to the price and reject any proposal which does not conform to the specified requirements;
 - (vi) During the technical evaluation no amendments in the technical proposal shall be permitted;
 - (vii) The financial proposals of bids shall be opened publicly at a time, date and venue

- announced and communicated to the bidders in advance;
- (viii) After the evaluation and approval of the technical proposal the procuring agency, shall at a time within the bid validity period, publicly open the financial proposals of the technically accepted bids only. The financial proposal of bids found technically non-responsive shall be returned un-opened to the respective bidders; and
 - (ix) The bid found to be the lowest evaluated bid shall be accepted.

16. Deadline for Submission, Modification & Withdrawal of Bids

- 16.1 Bids must be received by the Employer at the address provided in Bidding Data not later than the time and date stipulated therein.
- 16.2 Bids submitted through telegraph, telex, fax or e-mail shall not be considered.
- 16.3 Any bid received by the Employer after the deadline for submission prescribed in Bidding Data will be returned unopened to such bidder.
- 16.4 Any bidder may modify or withdraw his bid after bid submission provided that the modification or written notice of withdrawal is received by the Employer prior to the deadline for submission of bids.
- 16.5 Withdrawal of a bid during the interval between the deadline for submission of bids and the expiration of the period of bid validity specified in the Form of Bid may result in forfeiture of the Bid Security pursuant to Sub-Clause IB.13.5.

E. BID OPENING AND EVALUATION

17. Bid Opening, Clarification and Evaluation

- 17.1 The Employer will open the Technical Bids upon deadline of bid submission date in accordance with PPRA rules & Regulations and then Financial Bids will be opened in the presence of bidder's representatives who choose to attend, at the time, date and location stipulated in the Bidding Data.
- 17.2 The bidder's name, Bid Prices, any discount, the presence or absence of Bid Security, and such other details as the Employer at its discretion may consider appropriate, will be announced by the Employer at the bid opening. The Employer will record the minutes of the bid opening. Representatives of the bidders who choose to attend shall sign the attendance sheet.
Any Bid Price or discount which is not read out and recorded at bid opening will not be taken into account in the evaluation of bid.

- 17.3 To assist in the examination, evaluation and comparison of Bids the Project Director / Employer may, at its discretion, ask the bidder for a clarification of its Bid. The request for clarification and the response shall be in writing and no change in the price or substance of the Bid shall be sought, offered or permitted.
- 17.4 (a) Prior to the detailed evaluation,
Pursuant to Sub-Clauses IB.17.7 to 17.9, the Project Director / Employer will determine the substantial responsiveness of each bid to the Bidding Documents. For purpose of these Clauses, a substantially responsive bid is one which conforms to all the terms and conditions of the Bidding Documents without services deviations. It will include determining the requirements listed in bidding data.
- (b) Arithmetical errors will be rectified on the following basis:
If there is a discrepancy between the cost of individual services or total cost of services that is obtained by accumulation of all services cost, the services cost shall prevail and the total cost of services shall be corrected. If there is a discrepancy between the words and figures the amount in words shall prevail. If there is a discrepancy between the Total Bid cost entered in Form of Bid and the total shown in Schedule of Services cost-amount stated in the Form of Bid will be corrected by the Employer in accordance with the Corrected Schedule of costs. If the bidder does not accept the corrected amount of Bid, his Bid will be rejected and his Bid Security forfeited.
- 17.5 A Bid determined as substantially non-responsive will be rejected and will not be subsequently made responsive by the bidder by correction of the non-conformity.
- 17.6 Any minor informality or non-conformity or irregularity in a Bid which does not constitute a services deviation may be waived by Employer, provided such waiver does not prejudice or affect the relative ranking of any other bidders.
- 17.7 The Project Director / Employer will evaluate and compare only the bids previously determined to be substantially responsive pursuant to Sub-Clauses IB.17.4 to 17.6 as per requirements given hereunder and in the bidding data.
- a. Technical Bid 70%
 - b. Financial Bid 30%

Bids will be evaluated for complete scope of work. The cost of services will be compared on the basis of the Evaluated Bid cost pursuant to Sub-Clause 17.8 herein below.

(a) Technical Evaluation

It will be examined in detail whether the technical services offered by the bidder comply with the Technical Provisions of the Bidding Documents. For this purpose, the bidder's data submitted with the bid in Schedule to Bid will be compared with services activities / criteria of the works detailed in the Technical Provisions. Other technical information submitted with the bid regarding the Scope of Services will also be reviewed.

(b) Commercial Evaluation

It will be examined in detail whether the bids comply with the commercial / contractual conditions of the Bidding Documents.

17.8 Evaluated Bid Price

In evaluating the bids, the Project Director / Employer will determine for each bid in addition to the Bid Price, the following factors (adjustments) in the manner and to the extent indicated below to determine the Evaluated Bid Price:

Making any correction for arithmetic errors pursuant to Sub-Clause 17.4 hereof.

- (i) Making appropriate costs adjustment for any other acceptable variation or deviation.
- (ii) Making an appropriate costs adjustment for Deviations in terms of Payments (if any and acceptable to the Employer).
- (iii) Discount, if any, offered by the bidders as also read out and recorded at the time of bid opening.

17.9 Evaluation Methods

Pursuant to Sub-Clause 16.8, Para (ii), and (iii) following evaluation methods for price adjustments will be followed:

- (i) Price Adjustment for Technical Compliance
The cost of Services, any deficiency resulting from technical non-compliance will be added to the Corrected Total Bid Price for comparison purposes only. The adjustments will be applied taking the highest services costs quoted by other bidders being evaluated in detail in their original Bids for corresponding item. In case of non-availability

of costs from other bidders, the costs will be estimated by the Project Director / Employer.
(ii) Cost Adjustment for Deviation in Terms of Payments, Refer to Bidding Data

18. Process to be Confidential

- 18.1 Subject to Sub-Clause IB.16.3 heretofore, no bidder shall contact Project Director / Employer on any matter relating to its Bid from the time of the Bid opening to the time the bid evaluation result is announced by the Employer. The evaluation result shall be announced at least ten (10) days prior to award of Contract. The announcement to all bidders will include table(s) comprising read out Services Costs, discounted Costs, Cost adjustments made, final evaluated Costs and recommendations against all the bids evaluated.
- 18.2 Any effort by a bidder to influence Project Director / Employer in the Bid evaluation, Bid Comparison or Contract Award decisions may result in the rejection of his Bid. Whereas, any bidder feeling aggrieved may lodge a written complaint not later than fifteen (15) days after the announcement of the bid evaluation result, however, mere fact of lodging a complaint shall not warrant suspension of hiring process.

F. AWARD OF CONTRACT

19. Post Qualification

- 19.1 The Employer, having credible reasons for or a prima facie evidence of any defect in bidders' capabilities, will determine to its satisfaction that the substantially responsive, lowest evaluated bidder, whether already pre-qualified or not, is qualified to satisfactorily perform the Contract in accordance with Qualification Criteria stipulated in the Bidding Documents.
- 19.2 The determination will consider the bidder's financial and technical capabilities. It will be based upon an examination of the documentary evidence of the bidders' qualifications submitted under Clause IB.11, as well as such other information required in the Bidding Documents

20. Award Criteria & Purchaser's Right

- 20.1 Subject to Sub-Clause IB.20.2, the Employer will award the Contract to the bidder whose bid has been determined to be substantially responsive to the Bidding Documents and who has offered the lowest evaluated Bid / Services Cost, provided that such bidder has been determined to be qualified to satisfactorily perform the Contract in accordance with the provisions of Clause IB.18.
- 20.2 Notwithstanding Sub-Clause IB.19.1, the Employer reserves the right to accept or reject any

bid, and to annul the bidding process and reject all bids, at any time prior to award of Contract, without thereby incurring any liability to the affected bidders or any obligation to inform the affected bidders of the grounds for the Employer's action except that the grounds for its rejection of all bids shall upon request be communicated to any bidder who submitted a bid, without justification of the grounds. Notice of the rejection of all the bids shall be given promptly to all the bidders.

21. Notification of Award and Signing of Contract Agreement

21.1 Prior to expiration of the period of bid validity prescribed by the Employer, the Employer will notify the successful bidder in writing ("Letter of Acceptance") that his bid has been accepted.

21.2 Within seven (07) days from the date of furnishing of acceptable Performance Security under the Conditions of Contract, the Employer will send the successful bidder the Form of Contract Agreement provided in the Bidding Documents, incorporating all agreements between the parties.

21.3 The formal Agreement between the Employer and the successful bidder shall be executed within seven (07) days of the receipt of Form of Contract Agreement by the successful bidder from the Employer.

22. Performance Security

22.1 The successful bidder shall furnish to the Employer a Performance Security in the form and the amount stipulated in the bidding data within a period of fourteen (14) days after the receipt of Letter of Acceptance.

22.2 Failure of the successful bidder to comply with the requirements of Sub-Clauses IB.21.2 & 21.3 or 22.1 or Clause IB.23 shall constitute sufficient grounds for the annulment of the award and forfeiture of the Bid Security.

23. Integrity Pact

23.1 The Bidder shall sign and stamp the Form of Integrity Pact provided at Form-D to Bid in the Bidding Document for all Federal Government Consultancy Services contracts exceeding PKR Ten (10) Million. Failure to provide such Integrity Pact shall make the bid non-responsive.

Section II (Bidding Data with Evaluation Criteria)

ITC Clause Reference	Amendments of, Supplement to, Clauses in the Instruction to Bidders
A. General	
1.1	Name of Employer National Business Development Program for SMEs (NBDPs) Brief Description of Services Development of Prefeasibility Studies on SME Businesses
B. Bidding Documents	
5.1	(a) Client's Address: Project Director National Business Development Program for SMEs 3 rd Floor, Building # 3, Aiwan-e-Iqbal Complex, Egerton Road, Lahore. Tel: (042) 99204719 FAX: (042)- 6304926 (b) Project Director's Address: National Business Development Program for SMEs 3 rd Floor, Building # 3, Aiwan-e-Iqbal Complex, Egerton Road, Lahore Tel: (042) 99204719 FAX: (042)- 6304926 Email: pd@nbdp.org.pk
C. Preparation of Bids	
10.3	Bid shall be quoted entirely in Pak. Rupees. The payment shall be made in Pak. Rupees.
11.1	Bidders must meet the following criteria to be eligible: <ul style="list-style-type: none"> ▪ Must be incorporated / registered for having legal status ▪ Must have NTN / STN registration and on the Active Tax Payers list of FBR ▪ Must have Verifiable Consultancy Experience of 05 years ▪ Must have previous year's annual revenue of Rs. 05 Million as per Audited Financial Statements / Tax Returns or Bank Statements ▪ Have not been blacklisted or debarred by any Government / Semi-Government / Autonomous organizations in Pakistan. (Undertaking on an Official Stamp Paper)
13.1	Amount of Bid Security 5% of the total bid Price
14.1	Period of Bid Validity 90 days
14.4	Number of Copies of the Bid to be submitted One Original and One Copy and a Soft copy
14.6	(a) Client's Address for the Purpose of Bid Submission National Business Development Program for SMEs 3 rd Floor, Building # 3, Aiwan-e-Iqbal Complex, Egerton Road, Lahore

	Tel: (042)- 99204719 FAX: (042)- 6304926																		
D. Submission of Bids																			
15.1	Deadline for Submission of Bids. 07 March, 2022 at 2:00 PM																		
E. Bid Opening and Evaluation																			
17.1	Venue, Time, and Date of Bid Opening Venue: National Business Development Program for SMEs 3 rd Floor, Building # 3, Aiwan-e-Iqbal Complex, Egerton Road, Lahore Tel: (042) 99204719 FAX: (042)- 6304926 Date: 07 March, 2021 Time: 2:30 PM.																		
17.4	Responsiveness of Bids (i) The Bid is valid for the period defined in the Clause 14.1, (ii) The Bid prices are firm during currency of contract (iii) Completion period offered is within specified limits, (iv) The Bidder is eligible to Bid and possesses the requisite experience, capability and qualification. (v) The Bid does not deviate from basic technical requirements and (vi) The Bids are generally in order, etc.																		
17.7	Evaluation Method: Quality and Cost Based Selection as per Clause 2(B) of PPRA Regulations 2010, for Procurement of Consultancy Services read with 36(b) of PPRA Rules 2004. <u>Technical Evaluation:</u> The consulting firms achieving Minimum 70% score in Technical Evaluation will be eligible for Financial Evaluation. Criteria for Combined Evaluation of the Proposals is given as: i. Technical Evaluation 70% ii. Financial Evaluation 30% Technical Evaluation Criteria Technical Proposals will be opened first and evaluated as per the following Criteria: 1. Applicant’s Profile..... (10 Points) The score will be awarded as per scoring criteria explained below: <table><tr><th>Sr. No</th><th>Components</th><th>Criteria</th><th>Points</th></tr><tr><td rowspan="3">1</td><td rowspan="3">Organizational Structure</td><td>Strong</td><td>05</td></tr><tr><td>Medium</td><td>03</td></tr><tr><td>Weak</td><td>01</td></tr><tr><td rowspan="2">2</td><td rowspan="2">Experience of firm since Incorporation / Registration</td><td>≥ 10 years</td><td>05</td></tr><tr><td colspan="2">Relative marking for others</td></tr></table> Submission requirement as per (Annexure – A & B) 2. Organization’s Experience.....(50 Points) i. General Consultancy Experience (10 Points) The score will be awarded as per scoring criteria given below:	Sr. No	Components	Criteria	Points	1	Organizational Structure	Strong	05	Medium	03	Weak	01	2	Experience of firm since Incorporation / Registration	≥ 10 years	05	Relative marking for others	
Sr. No	Components	Criteria	Points																
1	Organizational Structure	Strong	05																
		Medium	03																
		Weak	01																
2	Experience of firm since Incorporation / Registration	≥ 10 years	05																
		Relative marking for others																	

Sr. No	Criteria	Points
1.	Maximum Marks for 10 projects or more in last 05 years, Relative marking for others	10

Submission requirement as per (Annexure – C)

ii. Relevant Experience (40 Points)

The score will be awarded as per scoring criteria given below:

Sr. No	Criteria	Points
1.	Maximum Marks for 20 projects Feasibility Studies / Business Plans developed in last 05 years. Relative marking for others	30
2.	Maximum Marks for 05 Sector Based Research Studies conducted in last 05 years. Relative marking for others	10

Submission requirement as per (Annexure – C-1)

3. Proposed Methodology and Work Plan.....(20 Points)

Components	Points
Data Collection Methodology	10
Data Validation and Financial Modelling	05
Report writing and Quality Assurance	05

4. Proposed Key Resources for Assignment.....(10 Points)

The firm is required to propose five (05) key members, who would be actually deployed for this assignment.

Sr. No	Criteria	Points
1	Educational Qualification of staff assigned to this project	05
2	Experience of Staff assigned to this project	05

Submission requirement as per (Annexure – D)

Each individual of the core staff will be evaluated as per following:

a). For Relevant Education

Sr. No	Components	Weightage
1	Relevant Master degree (16 years) or Equivalent	100 %
2	Relevant Bachelor degree or equivalent	80 %

b). For Relevant Experience

Sr. No	Components	Weightage
1	More than 10 years Relevant Experience	100 %
2	Between 6 to 10 years of relevant experience	80 %
3	Between 1 to 5 years of relevant experience	60 %

	<p>5. Financial Capacity.....(10 Points) The applicant will provide its annual turnover for current / last year dully supported by Audited Financial Statements / Tax returns / Bank Statements to prove its financial capability.</p> <table><tr><th>Sr. No</th><th>Components</th><th>Points</th></tr><tr><td>1</td><td>More than Rs. 10 Million</td><td>10</td></tr><tr><td></td><td></td><td>Relative marking for others</td></tr></table> <p>*Please provide supporting documents / evidence</p>	Sr. No	Components	Points	1	More than Rs. 10 Million	10			Relative marking for others
Sr. No	Components	Points								
1	More than Rs. 10 Million	10								
		Relative marking for others								
17.9	<p>Price Adjustment: (ii) Price Adjustment for Deviations in Terms of Payment: If a bid deviates from the terms of payment / payment conditions as specified in the Conditions of Contract and if such deviation is considered acceptable to the Client, mark-up earned for any earlier payments involved in the terms outlined in the Bid as compared to those stipulated in the Conditions of Contract shall be calculated at the mark-up rate 8% per annum and shall be added to the Corrected Total Bid Price for comparison purposes only.</p>									
F. Award of Contract										
22.1	<p>Performance Security The Performance Security shall be for the complete duration and in the currency of contract, of an amount equal to 10% of the Contract Price, in the Form of bank guarantee or Pay Order from any Scheduled Bank in Pakistan. In case of Pay order, the consultant shall be liable to revalidate the said instrument before its expiry, if the duration for completion of services exceeds from the initial validity period of the instrument. The cost of complying with this requirement shall be borne by the successful bidder / Consulting firms. The performance security shall remain valid two months beyond the completion time of the contract.</p>									

Section III.

Appendix A - Terms of Reference

Identification of Topics and Development of Prefeasibility Studies on SME Businesses

1. INTRODUCTION

“National Business Development Program for SMEs (NBDP)”, hereinafter, referred to as “Client” is a project of Small and Medium Enterprises Development Authority, Ministry of Industries and Production (SMEDA - MoIP) funded through the Public Sector Development Program of the Government of Pakistan.

The NBDP envisages provision of handholding support and business development services to SMEs to promote business start-ups, improve efficiencies in existing SME value chains to make them globally competitive and provide a conducive business environment through evidence-based policy assistance to the Government of Pakistan.

Development of prefeasibility studies on potential areas of investments in small and medium sized businesses is a hallmark of SMEDA. Currently, there are over 200 prefeasibility studies available on SMEDA's website (www.smeda.org). These prefeasibility reports are downloaded free of cost by a large number of interested individuals across the country and overseas.

These preferability studies provide overview of the project, required investment, production process, costs, and revenues in a standard, easy to understand format.

These prefeasibility reports are developed inhouse on a standard financial model which is property of SMEDA.

2. STATEMENT OF PURPOSE

The objective of the pre-feasibility study is primarily to facilitate potential entrepreneurs in project identification for investment. The project pre-feasibility may form the basis of an important investment decision and in order to serve this objective, the document / study covers various aspects of project concept development, start-up, and production, marketing, finance and business management.

3. SCOPE OF WORK

The Assignment of “Identification of Topics and Development of Prefeasibility Studies on SME Businesses” is mainly of comprises of following two (02) Core Components

- i.) Identification of 40 Unique Topics for SME Businesses in 3 Business Categories i.e. Manufacturing; Trade and Service; and Food and Beverages.
- ii.) Development of Prefeasibility Studies for Identified Topics of SME Businesses.

The component wise activities to be performed by the consultant briefly explained in the following section.

1st Component: Identification of 40 Unique Topics for SME Businesses in 3 Business Categories i.e. Manufacturing; Trade and Service; and Food & Beverages.

For 1st Component, consultant is required to perform activities including but may not be limited to the following:

- a) Perform desk review of secondary data sources and trend analysis for new business topics.
- b) Consultation with industry stakeholders i.e. Chamber of Commerce and Industry (CCIs) and Trade Bodies for identification / prioritization of new business topics.
- c) Compilation of a tentative list of topics with justifications for review and approval of NBDP Officials.
- d) NBDP Officials will have the final authority for selection or rejection of any business topic.
- e) Approval of final list of 40 Unique Business Topics.

Key Considerations for Topics Identification

- a) Appropriate distribution of topics among the 3 Business Categories i.e. Manufacturing; Trade and Service; and Food & Beverages.
- b) Identified business can be initiated and executed in Pakistan.
- c) Topics identified by consultant should be unique and pre-feasibility studies on those businesses were not available. In this regard, NBDP will share the list of Business Prefeasibility Studies developed by SMEDA to avoid duplications.

2nd Component: Development of Prefeasibility Studies for Identified SME Business Topics in 1st Component – 40 Prefeasibility Studies.

For the 2nd Component, consultant will perform activities including but may not be limited to the following:

- a) Collection of information / data on project investment including but not limited to cost of land, building, machinery & equipment, utility connections, vehicle, production process flow, marketing / distribution channels, terms of trade, key factors / competitive advantage for business success etc. and operational costs such as cost of raw material, labour, production overheads, administrative expenses, selling and general expenses, mark-up rates, inventory requirements, accounts payable and receivable cycle, applicable taxes etc.
- b) Develop income statement, cashflow statement and balance sheet of the identified business on the standard financial model provided by the client.
- c) Develop a word document containing the information collected / developed as per the guidelines mentioned above, on a standard format provided by the client.
- d) An orientation / training of the nominated resource of the selected bidder shall be provided by the staff of the employer, at the premises of the employer. The duration of training will be decided with mutual consent.
- e) Any other as required by the employer

4. DELIVERABLES

The following are required to be developed for the assignment as described in the scope of work:

1st Component: Identification of 40 Topics for SME Businesses

Report covering the information described in phase 1 section 5 hereof including identification and finalization of 40 Topics for SME Businesses based on industry stakeholder inputs and trend analysis. The list of business topics will be compiled and shared as per the [Standard template, Annexure E](#), issued by the Client along with the soft copy of the same.

2nd Component: Development of 40 Prefeasibility Studies

i. Information on Data Collection & Financial Model

The consultant will collect the required information for development of the prefeasibility Studies report as the case may be, provide the list of data collected, date of data collection, set of assumptions, and sources of information as per the [Standard template, Annexure F](#), issued by the Client (included but not limited to Quotations from vendors for Machinery / Equipment /Materials etc) along with the soft copy of the standard financial model in which above information is duly incorporated.

ii. Prefeasibility Document

Hard and soft copy of the document in MS word as per standard format issued by the Employer, containing necessary background information, disclaimers, explanations, process flow diagram, project costs and revenue details, and standard financial statements. (Sample Prefeasibility Study is attached at [Annexure - G](#))

5. ASSIGNMENT PHASES

For effective management, the project is divided into the following phases:

Phase I:

- a. Industry consultation and secondary data review for topics identification
- b. Development of tentative list of topics
- c. Review by the Employer
- d. Finalization of the topics for prefeasibility development

Phase II:

- a. Information / data collection for development of prefeasibility studies on approved topics.
- b. Development of draft financial model
- c. Review by the Employer
- d. Finalization of the financial model

Phase III: Incorporation of data in the word document / template.

The consultants will provide a hard and soft copy of the English version of the prefeasibility studies for review and will incorporate changes / additions suggested by Employer Working of the consultant entails:

- i) Development of Prefeasibility Studies
- ii) Present the same for review, incorporate suggestions.
- iii) First draft & Review
- iv) Final Copy (1 Hard Coloured Copy & Soft copy on CD)

6. COMMENCEMENT AND DURATION OF ASSIGNMENT

- (1) Commencement: From the date of signing of contract
- (2) Duration: Estimated duration of the assignment is 08 months.

7. TERMS OF PAYMENT

Payment shall be released by the client to the selected Consultant at the Employer's choice either in the form of cheque(s) drawn in the favour of the Consultant or in the form of irrevocable inland Letter of Credit (LC) at sight opened in the favour of Consultant. If Letter of credit is opened in favour of selected Consultant, the cost (commission and bank charges) of LC shall be the responsibility of the selected Consultant.

The payment to the Consultant shall be made in part or whole as per the following schedule:

#	Items / Output / Deliverable	Payment (%age of Contract Value)	Condition for Release of Payment
1	Mobilization Advance	-	Maximum up to 30% of the contract value, subject to submission of Pay-Order / Bank Guarantee of equal amount in favour of the project. If availed, will be adjusted in the Interim Payments proportionately.
2	Finalization of Topics of Prefeasibility Studies Development.	10%	Submission of invoice and acceptance of deliverable by the project management.
3	Submission of Draft Financial Models of Prefeasibility Studies	20%	Submission of invoice and acceptance of deliverable by the project management.
4	Submission of Draft Document of Prefeasibility Studies	50%	Submission of invoice and acceptance of deliverable by the project management.
5	Submission of Final Prefeasibility Studies	20%	1. Acceptance of deliverable by the project management. 2. Submission of original Invoice and 01 coloured hard & a Soft copy of the prefeasibility studies.

8. PROPRIETARY RIGHTS

The Employer will have all proprietary rights of the all the information, documents, data and any other information / material related to the assignment

in any form whatsoever. The bidder will be required to practice strict confidentiality in execution of the assignment and will make sure that no part or whole of the information / document(s) is shared with any third person / organization without the explicit permission of the Client, either in printed, electronic or soft form.

9. THE TECHNICAL PROPOSAL

The technical proposal of eligible organizations will be evaluated using the scoring criteria. The technical proposal must be submitted as a self-explanatory document, having a table of content, headings and page numbering for easy reference and comparative analysis. The technical proposal should contain following and any additional information and copies of all required documents should be attached.

9.1 Profile of the Firm

Please provide detail information regarding firm and its corporate profile. Please use **Annexure – A** for providing firm's information. Further, following information should also be provided;

- i. Legal name of the Firm
- ii. Contact information
- iii. Legal status, proof of registration (Firm, income / sales tax etc.)
- iv. List & profile of company directors / founders and top team members who have been in the company for more than 3 years
- v. List of company owned / rented offices
- vi. Brief description of Services
- vii. Top 3 projects ever delivered or being delivered by the company in terms of financial value of business or strategic importance of client (Submission requirement as per Annexure C-2)
- viii. Litigation history (Annexure A -1)

9.2 Experience of the Firm

- i. Please provide detailed information of assignments in context of the Scope of work of this assignment in which the firm was engaged. Following is to be included in this section:
- ii. Introduction and General Experience of the Firm (**Annexure – C**)
- iii. Experience relevant to the current assignment as per (**Annexure – C1**)
- iv. Any other information

9.3 Key team members for assignment

Please provide information for the Proposed Team staff who will be engaged in assignment as per the following table:

#	Name of Employee	Role in this assignment	Qualification	Experience (Years)

Please attach their CVs as the format in Annexure – D for detailed information.

9.4 Proposed approach and methodology

Please describe the objectives of this task through proposed approach and methodology. It is suggested to present the Technical Proposal according to the following chapters:

- I. Approach and Methodology
- II. Work plan

9.4.1 Approach and Methodology

The potential consulting firm has to propose its understanding of the objectives and scope / TORs of the assignment. Their annotated approach followed for topics identification, data collection, data validation and financial modelling to execute each of the sections indicated in scope of work. This must include brief description of the tasks, implementation methodology proposed for efficient delivery of the tasks, and quality mechanisms offered. The consultant should also propose their methodology for presenting the data collected in to a report and the mechanism for quality assurance.

9.4.2 Work Plan

The potential Consulting firm has to propose its work plan against the main activities of the assignment, their content and estimated duration, describing phasing, interdependence and milestones. The proposed work plan should be consistent with the technical approach and data collection methodology, showing clear understanding of the TORs and the ability to translate them into a deliverable working plan.

Appendix B: REPORTING REQUIREMENTS

Location of Services (Clause 1.5, General Conditions of Contract)

The Services shall be performed by the Consultant at locations pertinent to the assignment and as prescribed by the Client

Reporting Obligations (Clause 3.7, General Conditions of Contract)

Sr. No.	Description	Date of submission
1.	Data reporting as per requirement	As decided by both parties in writing

Section IV

Standard Forms

Form	Documents
Form A	FORM OF BID SECURITY
Form B	BID SECURING DECLARATION FORM
Form C	FORM OF PERFORMANCE SECURITY
Form D	FORM OF MOBILIZATION ADVANCE
Form E	FORM OF INTEGRITY PACT
Form F	FORM OF CONTRACT AGREEMENT

A. FORM OF BID SECURITY

(Bank Guarantee)

Guarantee No. _____

Executed on _____

(Letter by the Guarantor to the Purchaser)

Name of Guarantor (Scheduled Bank in Pakistan) with

address: _____

Name of Principal (Bidder) with

address: _____

Penal Sum of Security (express in words and

figures): _____

Bid Reference No. _____ Date of Bid _____

KNOW ALL MEN BY THESE PRESENTS, that in pursuance of the terms of the Bid and at the request of the said Principal, we the Guarantor above-named are held and firmly bound unto the _____, (hereinafter called The "Employer") in the sum stated above, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, which whereas the Principal has submitted the accompanying Bid numbered and dated as above for

_____ (Particulars of Bid) to the said Employer; and WHEREAS, the Employer has required as a condition for considering the said Bid that the Principal furnishes a Bid Security in the above said sum to the Employer, conditioned as under:

(1) That the Bid Security shall remain valid for a period of twenty-eight (28) days beyond the period of validity of the bid;

(2) That in the event of;

(a) The Principal withdraws his Bid during the period of validity of Bid, or

(b) The Principal does not accept the correction of his Bid Price as required by the Purchaser or

(c) Failure of the successful bidder to

- (i) Furnish the required Performance Security, in accordance with General and Special Conditions of Contract, or
- (ii) Sign the proposed Contract Agreement, in accordance with the requirements of the Employer.
- (iii) The entire sum be paid immediately to the said Employer for delayed completion and not as penalty for the successful bidder's failure to perform.

NOW THEREFORE, if the successful bidder shall, within the period specified therefore, on the prescribed form presented to him for signature enter into a formal Contract Agreement with the said Employer in accordance with his Bid as accepted and furnish within fourteen (14) days of receipt of Letter of Acceptance, a Performance Security with good and sufficient surety , as may be required, upon the form prescribed by the said Employer for the faithful performance and proper fulfillment of the said Contract or in the event of non-withdrawal of the said Bid within the time specified then this obligation shall be void and of no effect, but otherwise to remain in full force and effect.

PROVIDED THAT the Guarantor shall forthwith pay to the Employer the said sum stated above upon first written demand of the Employer without cavil or argument and without requiring the Employer to prove or to show grounds or reasons for such demand, notice of which shall be sent by the Employer by registered post duly addressed to the Guarantor at its address given above.

PROVIDED ALSO THAT the Employer shall be the sole and final judge for deciding whether the Principal has duly performed his obligations to sign the Contract Agreement and to furnish the requisite Performance Security within the time stated above, or has defaulted in fulfilling said requirements and the Guarantor shall pay without objection the sum stated above upon first written demand from the Employer forthwith and without any reference to the Principal or any other person.

IN WITNESS WHEREOF, the above bounded Guarantor has executed the instrument under its seal on the date indicated above, the name and seal of the Guarantor being hereto affixed and these presents duly signed by its undersigned representative pursuant to authority of its governing body.

 Guarantor (Bank)

Witness:	1. Signature_____
1. _____	2. Name _____
_____	3. Title _____

Corporate Secretary (Seal)

2. _____

(Name, Title & Address)

Corporate Guarantor (Seal)

B. BID SECURING DECLARATION FORM

(Printed and signed on Rs. 100 Judicial Stamp Paper)

[The Bidder shall fill in this Form in accordance with the instructions indicated]

Date: *[insert date (as day, month and year)]*

Bid Title: *[insert name of the Procurement process]*

To: **National Business Development program for SMEs (NBDP)**

I/We, the undersigned, declare that:

We understand that, according to your conditions, Bids must be supported by a Bid Securing Declaration.

We accept that we will automatically be Blacklisted and henceforth cross debarred from being eligible for participation in any procurement process with SMEDA / NBDP for the period of Six months or such other time as may be determined by the PPRA from time to time if we are in breach of our obligation(s) under the Tender conditions, because we:

- (a) have withdrawn or modified our Bid during the period of Bid Validity specified in the Form of Bid;
- (b) Disagreement to arithmetical correction made to the Bid price; or
- (c) despite having been notified of the acceptance of our Bid by the Procuring Agency during the period of Bid Validity, (i) fail to sign the contract if required by SMEDA / NBDP to do so or (ii) fail or refuse to furnish the Performance Security or (iii) fail or refuse to comply with any other condition precedent to signing the contract specified in the Tender Document.

We understand that this Bid Securing Declaration shall stand discharged if we are not the successful Bidder, upon the earlier of (i) our receipt of your notification to us of the name of the successful Consultant; or (ii) twenty-eight (28) days after the expiration of our Bid.

Signed: *[insert signature of person whose name and capacity are shown]* In the capacity of *[insert legal capacity of person signing the Proposal Securing Declaration]*

Name: *[insert **complete name of person signing the Proposal Securing Declaration**]*

Duly authorized to sign the Bid for and on behalf of: *[insert **complete name of the Bidder / Bidder Firm**]*

Dated on _____ day of _____, _____ *[insert **date of signing**]*
Corporate Seal (where appropriate)

*[Note: In case of a Joint Venture, the Bid Securing Declaration must be in the name of
all members to the Joint Venture that submits the Proposal]*

C. FORM OF PERFORMANCE SECURITY

(Bank Guarantee)

Guarantee No. _____

Executed on _____

(Letter by the Guarantor to the Employer)

Name of Guarantor (Scheduled Bank in Pakistan) with

address: _____

Name of Principal (Consultant) with

address: _____

Penal Sum of Security (express in words and

figures) _____

Letter of Acceptance No. _____ Dated _____

KNOW ALL MEN BY THESE PRESENTS, that in pursuance of the terms of the Bidding Documents and above said Letter of Acceptance (hereinafter called the Documents) and at the request of the said Principal we, the Guarantor above named, are held and firmly bound unto the _____ (hereinafter called the Employer) in the penal sum of the amount stated above, for the payment of which sum well and truly to be made to the said Employer, we bind ourselves, our heirs, executors, administrators and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, which whereas the Principal has accepted the Employer's above said Letter of Acceptance for _____ (Name of Contract) for the _____ (Name of Project).

NOW THEREFORE, if the Principal (Consultant) shall well and truly perform and fulfill all the undertakings, covenants, terms and conditions of the said Documents during the original terms of the said Documents and any extensions thereof that may be granted by the Employer, with or without notice to the Guarantor, which notice is, hereby, waived and shall also well and truly perform and fulfill all the undertakings, covenants terms and conditions of the Contract and of any and all modifications of the said Documents that may hereafter be made, notice of which modifications to the Guarantor being hereby waived, then, this obligation to be void; otherwise to remain in full force and virtue till all requirements of Remedying Defects, of Conditions of Contract are fulfilled.

Our total liability under this Guarantee is limited to the sum stated above and it is a condition of any liability attaching to us under this Guarantee that the claim for payment in writing shall be received by us within the validity period of this Guarantee, failing which we shall be discharged of our liability, if any, under this Guarantee.

We, _____ (the Guarantor), waiving all objections and defenses under the Contract, do hereby irrevocably and independently guarantee to pay to the Employer without delay upon the Employer's first written demand without cavil or arguments and without requiring the Employer to prove or to show grounds or reasons for such demand any sum or sums up to the amount stated above, against the Employer's written declaration that the Principal has refused or failed to perform the obligations under the Contract, for which payment will be effected by the Guarantor to Employer's designated Bank & Account Number.

PROVIDED ALSO THAT the Employer shall be the sole and final judge for deciding whether the Principal (Consultant) has duly performed his obligations under the Contract or has defaulted in fulfilling said obligations and the Guarantor shall pay without objection any sum or sums up to the amount stated above upon first written demand from the Employer forthwith and without any reference to the Principal or any other person.

IN WITNESS WHEREOF, the above bounded Guarantor has executed this Instrument under its seal on the date indicated above, the name and corporate seal of the Guarantor being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

Guarantor (Bank)

Witness:	1. Signature _____
1. _____	2. Name _____
_____	3. Title _____

Corporate Secretary (Seal)

2. _____

(Name, Title & Address)

Corporate Guarantor (Seal)

D. FORM OF MOBILIZATION ADVANCE GUARANTEE**(Bank Guarantee)**

Guarantee No. _____ Date _____

WHEREAS _____ (hereinafter called the 'Employer') has entered into a Contract for _____ (Particulars of Contract) with _____ (hereinafter called the "Contractor").

AND WHEREAS, the Employer has agreed to advance to the Contractor, at the Contractor's request, an amount of Rupees _____ (Rs _____) which amount shall be advanced to the Contractor as per provisions of the Contract.

AND WHEREAS, the Employer has asked the Contractor to furnish Guarantee to secure the mobilization advance for the performance of his obligations under the said Contract.

AND WHEREAS, _____
(Scheduled Bank in Pakistan or Insurance Company acceptable to the Employer)

(hereinafter called the "Guarantor") at the request of the Contractor and in consideration of the Employer agreeing to make the above advance to the Contractor, has agreed to furnish the said Guarantee.

NOW, THEREFORE, the Guarantor hereby guarantees that the Contractor shall use the advance for the purpose of above-mentioned Contract and if he fails and commits default in fulfilment of any of his obligations for which the advance payment is made, the Guarantor shall be liable to the Employer for payment not exceeding the aforementioned amount.

Notice in writing of any default, of which the Employer shall be the sole and final judge, on the part of the Contractor, shall be given by the Employer to the Guarantor, and on such first written demand, payment shall be made by the Guarantor of all sums then due under this Guarantee without any reference to the Contractor and without any objection.

This Guarantee shall remain in force until the advance is fully adjusted against payments from the Interim Payment Certificates of the Contractor or until _____ whichever is earlier.

(Date)

The Guarantor's liability under this Guarantee shall not in any case exceed the sum of Rupees _____ (Rs _____).

This Guarantee shall remain valid up to the aforesaid date and shall be null and void after the aforesaid date or earlier if the advance made to the Contractor is fully adjusted against payments from Interim Payment Certificates of the Contractor provided that the

Guarantor agrees that the aforesaid period of validity shall be deemed to be extended if on the above-mentioned date, the advance payment is not fully adjusted.

GUARANTOR

1. Signature _____
2. Name _____
3. Title _____

WITNESS

1. _____

Corporate Secretary (Seal)

2. _____
(Name Title & Address)

Corporate Guarantor (Seal)

E - INTEGRITY PACT
DECLARATION OF FEES, COMMISSION AND BROKERAGE ETC
PAYABLE BY THE SUPPLIERS OF GOODS, SERVICES & WORKS IN
CONTRACTS WORTH RS. 10.00 MILLION OR MORE

Contract No. _____ Dated _____
 Contract Value: _____
 Contract Title: _____

..... [name of Supplier] hereby declares that it has not obtained or induced the procurement of any contract, right, interest, privilege or other obligation or benefit from Government of Pakistan (GoP) or any administrative subdivision or agency thereof or any other entity owned or controlled by GoP through any corrupt business practice.

Without limiting the generality of the foregoing, [name of Supplier] represents and warrants that it has fully declared the brokerage, commission, fees etc. paid or payable to anyone and not given or agreed to give and shall not give or agree to give to anyone within or outside Pakistan either directly or indirectly through any natural or juridical person, including its affiliate, agent, associate, broker, consultant, director, promoter, shareholder, sponsor or subsidiary, any commission, gratification, bribe, finder's fee or kickback, whether described as consultation fee or otherwise, with the object of obtaining or inducing the procurement of a contract, right, interest, privilege or other obligation or benefit in whatsoever form from GoP, except that which has been expressly declared pursuant hereto.

[name of Supplier] certifies that it has made and will make full disclosure of all agreements and arrangements with all persons in respect of or related to the transaction with GoP and has not taken any action or will not take any action to circumvent the above declaration, representation or warranty.

[name of Supplier] accepts full responsibility and strict liability for making any false declaration, not making full disclosure, misrepresenting facts or taking any action likely to defeat the purpose of this declaration, representation and warranty. It agrees that any contract, right, interest, privilege or other obligation or benefit obtained or procured as aforesaid shall, without prejudice to any other rights and remedies available to GoP under any law, contract or other instrument, be voidable at the option of GoP.

Notwithstanding any rights and remedies exercised by GoP in this regard, [name of Supplier] agrees to indemnify GoP for any loss or damage incurred by it on account of its corrupt business practices and further pay compensation to GoP in an amount equivalent to ten times the sum of any commission, gratification, bribe, finder's fee or kickback given by [name of Supplier] as aforesaid for the purpose of obtaining or inducing the procurement of any contract, right, interest, privilege or other obligation or benefit in whatsoever form from GoP.

Name of Buyer:
 Signature:

[Seal]

Name of Seller/Supplier:
 Signature:

[Seal]

F - Form of Contract Agreement

This CONTRACT (hereinafter called the "Contract") is made on the ____ day of __(*month*) of ____ (year), between, on the one hand, _____ (Hereinafter called the "Client" which expression shall include the successors, legal representatives and permitted assigns)

And,

On the other hand, _____(hereinafter called the "Consultants" which expression shall include the successors, legal representatives and permitted assigns).

WHEREAS

- (a) the Client has requested the Consultants to provide certain consulting services as defined in the General Conditions of Contract attached to this Contract (hereinafter called the "Services"); and
- (b) the Consultants, having represented to the Client that they have the required professional skills, and personnel and technical resources, have agreed to provide the Services on the terms and conditions set forth in this Contract;

NOW THEREFORE the Parties hereby agree as follows:

- 1. The following documents attached hereto shall be deemed to form an integral part of this Contract:
 - (a) The General Conditions of Contract;
 - (b) The Special Conditions of Contract;
 - (c) The following Appendices:
 - Appendix A: Terms of Reference
 - Appendix B: Reporting Requirements
- 2. The mutual rights and obligations of the Client and the Consultants shall be as set forth in the Contract, in particular:
 - (a) The Consultants shall carry out the Services in accordance with the provisions of the Contract; and

- (b) The Client shall make payments to the Consultants in accordance with the provisions of the Contract.

IN WITNESS WHEREOF, the Parties hereto have caused this Contract to be signed in their respective names in two identical counterparts, each of which shall be deemed as the original, as of the day, month and year first above written.

	For and on behalf of

Witness	(CLIENT)
Signatures_____	Signatures: _____
Name: _____	Name:_____
Title: _____	Title: _____
	(Seal)

	For and on behalf of

Witness	(CONSULTANTS)
Signatures_____	Signatures: _____
Name: _____	Name:_____
Title: _____	Title:_____
	(Seal)

GENERAL CONDITIONS OF CONTRACT

A. GENERAL PROVISIONS

1.1 Definitions

Unless the context otherwise requires, the following terms whenever used in this Contract have the following meanings:

(a) "Applicable Law" means the laws and any other instruments having the force of law in the Islamic Republic of Pakistan, as those may be issued and in force from time to time;

(b) "Contract" means the Contract signed by the Parties, to which these General Conditions of Contract (GC) are attached, together with all the documents listed in Clause 1 of such signed Contract;

(c) "Contract Price" means the price to be paid for the performance of the Services, in accordance with Clause 6;

(d) "Effective Date" means the date on which this Contract comes into force and effect pursuant to Sub-Clause 2.1;

(e) "GC" means these General Conditions of Contract;

(f) "Government" means the Government of the Islamic Republic of Pakistan and/or Provincial Government(s);

(g) "Foreign Currency" means currency other than the currency of Islamic Republic of Pakistan.;

(h) "Local Currency" means the currency of the Islamic Republic of Pakistan;

(i) "Member" in case the Consultants consist of a joint venture of more than one entity, means any of the entities, and "Members" means all of these entities;

(j) "Party" means the Client or the Consultants, as the case may be, and "Parties" means both of them;

(k) "Personnel" means persons hired by the Consultants as employees and assigned to the performance of the Services or any part thereof;

(l) "SC" means the Special Conditions of Contract by which the GC are amended or supplemented;

(m) "Services" means the work to be performed by the Consultants pursuant to this Contract, as described in Appendix A;

(n) "Third Party" means any person or entity other than the Client or the Consultants

(o) "Scope of Work" means the work specified in SC and more precisely detailed in Appendix A.

1.2 Law Governing the Contract

This Contract, its meaning and interpretation, and the relation between the Parties shall be governed by the Applicable Law.

1.3 Language

This Contract has been executed in the English language which shall be the binding and controlling language for all matters relating to the meaning or interpretation of this Contract. All the reports and communications shall be in the English language.

1.4 Notices

Any notice, request, or consent made pursuant to this Contract shall be in writing and shall be deemed to have been made when delivered in person to an Authorized Representative of the Party to whom the communication is addressed, or when sent by registered mail, telex, or facsimile to such Party at the address of the Authorized Representatives specified under Sub-Clause SC 1.6. A Party may change its address for notice hereunder by giving the other Party notice of such change.

1.5 Location

The Services shall be performed at such locations as are specified in Appendix B and, where the location of a particular task is not so specified, at such locations as mutually agreed by the Parties.

1.6 Authorized Representatives

Any action required or permitted to be taken, and any document required or permitted to be executed, under this Contract by the Client or the Consultants shall be taken or executed by the Authorized Representatives specified in the SC.

1.7 Taxes and Duties

Unless specified in the SC, the Consultants and their Personnel shall pay such taxes, duties, fees, and other impositions as may be levied under the Applicable Law, the amount of which is deemed to have been included in the Contract Price.

1.8 Leader of Joint Venture

In case the Consultants consist of a joint venture of more than one entity, the Consultants shall be jointly and severally bound to the Client for fulfilment of the terms of the Contract and designate the Member named in the SC to act as leader of the Joint Venture, for the purpose of receiving instructions from the Client.

2. COMMENCEMENT, COMPLETION, MODIFICATION, AND TERMINATION OF CONTRACT

2.1 Effectiveness of Contract

This Contract shall come into force and effect on the date (the "Effective Date") as provided in the SC and or of the Client's notice to the Consultants instructing the Consultants to begin carrying out the Services. This notice shall confirm that the effectiveness conditions, if any, listed in the SC have been met.

2.2 Termination of Contract for Failure to Become Effective

If this Contract has not become effective within such time period after the date of the Contract signed by the Parties as shall be specified in the SC, either Party may, by not less than fifteen (15) days written notice to the other Party, declare this Contract to be null and void, and in the event of such a declaration by either Party, neither Party shall have any claim against the other Party except for the work (if any) already done or costs already incurred by a Party at the request of the other Party.

2.3 Commencement of Services

The Consultants shall begin carrying out the Services at the end of such time period after the Effective Date as shall be specified in the SC.

2.4 Expiration of Contract

Unless terminated earlier pursuant to Sub-Clause 2.9, this Contract shall expire when, pursuant to the provisions hereof, the Services have been completed and the payments of remunerations including the direct costs if any, have been made. The Services shall be completed within a period as is specified in the SC, or such extended time as may be allowed under Sub-Clause 2.6.

The term "Completion of Services" is as specified in the SC.

2.5 Modification

Modification of the terms and conditions of this Contract, including any modification of the scope of the Services or of the Contract Price, may only be made in writing, which shall be signed by both the Parties.

2.6 Extension of Time for Completion

2.6.1 The Client may grant no cost extension in time for completion of services of the original scope of work if the circumstances so warrant.

2.6.2 If the scope or duration of the Services is increased:

- (a) The Consultants shall inform the Client of the circumstances and probable effects;
- (b) The increase in scope shall be regarded as Additional Services; and
- (c) The Client shall extend the time for Completion of the Services accordingly.

2.6.3 In case of failure of the Consultants to complete the services within the original or extended stipulated time, the Consultants shall be liable for payment of liquidated damages unto the Client as specified in the SC.

2.7 Force Majeure

2.7.1 Definition

(a) For the purposes of this Contract, "Force Majeure" means an event which is beyond the reasonable control of a Party and which makes a Party's performance of its obligations under the Contract impossible or so impractical as to be considered impossible under the circumstances, and includes, but is not limited to, war, riots, civil

disorder, earthquake, fire, explosion, storm, flood or other adverse weather conditions, strikes, lockouts or other industrial actions (except where such strikes, lockouts or other industrial actions are within the power of the Party invoking Force Majeure to prevent), confiscation or any other action by government agencies.

(b) Force Majeure shall not include (i) any event which is caused by the negligence or intentional action of a Party or such Party's agents or employees, nor (ii) any event which a diligent Party could reasonably have been expected to both (A) take into account at the time of the conclusion of this Contract and (B) avoid or overcome in the carrying out of its obligations hereunder.

(c) Force Majeure shall not include insufficiency of funds or failure to make any payment required hereunder.

2.7.2 No Breach of Contract

The failure of a Party to fulfill any of its obligations under the Contract shall not be considered to be a breach of, or default under this Contract insofar as such inability arises from an event of Force Majeure, provided that the Party affected by such an event; (a) has taken all reasonable precautions, due care and reasonable alternative measures in order to carry out the terms and conditions of this Contract; and (b) has informed the other Party in writing not later than fifteen (15) days following the occurrence of such an event.

2.7.3 Extension of Time

Any period within which a Party shall, pursuant to this Contract, complete any action or task, shall be extended for a period equal to the time during which such Party was unable to perform such action as a result of Force Majeure.

2.7.4 Payments

During the period of their inability to perform the Services as a result of an event of Force Majeure, the Consultants shall be entitled to continue to be paid under the terms of this Contract, as well as to be reimbursed for additional costs reasonably and necessarily incurred by them during such period for the purpose of the Services and in reactivating the Services after the end of such period.

2.8 Suspension of Payments by the Client

The Client may, by written notice of suspension to the Consultants, suspend all payments to the Consultants hereunder if the Consultants fail to perform any of its obligations under this Contract, including the carrying out of the Services, provided that such notice of suspension (i) shall specify the nature of the failure, and (ii) shall request the Consultants to remedy such failure within a period not exceeding Twenty (20) days after receipt by the Consultants of such notice of suspension.

2.9 Termination

2.9.1 By the Client

The Client may terminate this Contract, by not less than thirty (30) days written notice of termination to the Consultants, to be given after the occurrence of any of the events specified in paragraphs (a) through (e) of this Sub-Clause 2.9.1 and sixty (60) days' in the case of the event referred to in paragraph (f):

(a) if the Consultants do not remedy a failure in the performance of their obligations under the Contract, within twenty (20) days after being notified or within any further period as the Client may have subsequently approved in writing;

(b) if the Consultants become (or, if the Consultants consist of more than one entity, if any of their Members becomes) insolvent or bankrupt or enter into any agreements with their creditors for relief of debt or take advantage of any law for the benefit of debtors or go into liquidation or receivership whether compulsory or voluntary;

(c) if the Consultants fail to comply with any final decision reached as a result of arbitration proceedings pursuant to Clause 7 hereof;

(d) if the Consultants submit to the Client a statement which has a material effect on the rights, obligations or interests of the Client and which the Consultants know to be false;

(e) if, as the result of Force Majeure, the Consultants are unable to perform a material portion of the Services for a period of not less than sixty (60) days;

(f) If the Client, in its sole discretion, decides to terminate this Contract.

2.9.2 By the Consultants

The Consultants may terminate this Contract, by not less than sixty (60) days written notice to the Client, such notice to be given after the occurrence of any of the events specified in paragraphs (a) through (d) of this Sub-Clause 2.9.2:

(a) if the Client fails to pay any monies due to the Consultants pursuant to this Contract and not subject to dispute pursuant to Clause 7 within forty-five (45) days after receiving written notice from the Consultants that such payment is overdue;

(b) if the Client is in material breach of its obligations pursuant to this Contract and has not remedied the same within forty-five (45) days (or such longer period as the Consultants may have subsequently approved in writing) following the receipt by the Client of the Consultants' notice specifying such breach;

(c) if, as a result of Force Majeure, the Consultants are unable to perform a material portion of the Services for a period of not less than sixty (60) days;

(d) if the Client fails to comply with any final decision reached as a result of arbitration proceedings pursuant to Clause 7 hereof.

2.9.3 Cessation of Services

Upon receipt of notice of termination under Sub-Clause 2.9.1, or giving of notice of termination under Sub-Clause 2.9.2, the Consultants shall take all necessary steps to bring the Services to a close in a prompt and orderly manner and shall make every reasonable effort to keep expenditures for this purpose to a minimum. With respect to documents prepared by the Consultants, and equipment and materials furnished by the Client (if any), the Consultants shall proceed as provided, respectively, by Sub-Clauses 3.8 or 3.9.

2.9.4 Payment upon Termination

Upon termination of this Contract pursuant to Sub-Clauses 2.9.1 or 2.9.2, the Client shall make the following payments to the Consultants:

(a) Remuneration and reimbursable direct costs expenditure pursuant to Clause 6 for Services satisfactorily performed prior to the effective date of termination. Effective date of termination for purposes of this Sub-Clause means the date when the prescribed notice period would expire;

(b) except in the case of termination pursuant to paragraphs (a) through (d) of Sub-Clause 2.9.1, reimbursement of any reasonable cost incidental to the prompt and orderly termination of the Contract, including the cost of the return travel of the Personnel, according to Consultants Traveling Allowance Rules.

In order to compute the remuneration for the part of the Services satisfactorily performed prior to the effective date of termination; the respective remunerations shall be proportioned.

2.9.5 Disputes about Events of Termination

If either Party disputes whether an event specified in paragraphs (a) through (e) of Sub-Clause 2.9.1 or in paragraph (a) through (d) of Sub-Clause 2.9.2 hereof has occurred, such Party may, within forty-five (45) days after receipt of notice of termination from the other Party, refer the matter to arbitration pursuant to Clause 7 hereof, and this Contract shall not be terminated on account of such event except in accordance with the terms of any resulting arbitral award.

3. OBLIGATIONS OF THE CONSULTANTS

3.1 General

The Consultants shall perform the Services and carry out their obligations with all due diligence, efficiency, and economy, in accordance with generally accepted professional techniques and practices, and shall observe sound management practices. The Consultants shall always act, in respect of any matter relating to this Contract or to the Services, as faithful advisers to the Client, and shall at all times support and safeguard the Client's legitimate interests in any dealings with third parties.

3.2 Consultants Not to Benefit from Commissions, Discounts, etc.

The remuneration of the Consultants pursuant to Clause 6 shall constitute the Consultants' sole remuneration in connection with this Contract or the Services, and the

Consultants shall not accept for their own benefit any trade commission, discount, or similar payment in connection with activities pursuant to this Contract or to the Services or in the discharge of their obligations under the Contract, and the Consultants shall use their best efforts to ensure that the Personnel and their agents similarly shall not receive any such additional remuneration.

3.3 Confidentiality

The Consultants and their Personnel shall not, either during the term or after the expiration of this Contract, disclose any proprietary or confidential information relating to the Project, the Services, this Contract, or the Client's business or operations without the prior written consent of the Client.

3.4 Liability of the Consultants

The Consultants are liable for the consequence of errors and omissions on their part or on the part of their employees in relation to the assignment.

If the Client suffers any losses or damages as a result of proven faults, errors or omissions in the planning, specifications evaluation, fabrication monitoring the Consultants shall make good such losses or damages, subject to the conditions that the maximum liability as aforesaid shall not exceed twice the total remuneration of the Consultants for that activity (s) in accordance with the terms of the Contract.

The Consultants may, to protect themselves, insure themselves against their liabilities but this is not obligatory. The extent of the insurance shall be up to the limit specified in second para above. The Consultants shall procure the necessary cover before commencing the Services and the cost of procuring such cover shall be borne by the Consultants.

The Consultants shall, at the request of the Client, indemnify the Client against any or all risks arising out of the furnishing of professional services by the Consultants to the Client, not covered by the provisions contained in the first para above and exceeding the limits set forth in second para above provided the actual cost of procuring such indemnity as well as costs exceeding the limits set forth in fourth para above shall be borne by the Client.

3.5 Insurance to be Taken out by the Consultants

The Consultants may take out and maintain, at their own cost, insurance against the risks associated with the services. Client shall not be liable for any payment against any such insurance taken by the consultant.

3.6 Consultants' Actions Requiring Client's Prior Approval

The Consultants shall obtain the Client's prior approval in writing before taking any of the following actions:

- (a) appointing such Personnel as are listed in Appendix-A merely by title but not by name;
- (b) any other action that may be specified in the SC.

3.7 Reporting Obligations

The Consultants shall submit to the Client the reports and documents specified in Appendix B in the form, in the numbers, and within the periods set forth in the said Appendix.

3.8 Documents Prepared by the Consultants to be the Property of the Client

All plans, drawings, specifications, reports, and other documents and software prepared by the Consultants in accordance with Sub-Clause 3.7 shall become and remain the property of the Client, and the Consultants shall, not later than upon termination or expiration of this Contract, deliver (if not already delivered) all such documents and software to the Client, together with a detailed inventory thereof. The Consultants may retain a copy of such documents and software.

Restriction(s) about the future use of these documents is specified in the SC.

3.9 Equipment and Materials Furnished by the Client

Equipment and materials made available to the Consultants by the Client, or purchased by the Consultants with funds provided exclusively for this purpose by the Client, shall be the property of the Client and shall be marked accordingly. Upon termination or expiration of this Contract, the Consultants shall make available to the Client an inventory of such equipment and materials and shall dispose of such equipment and materials in accordance with the Client's instructions.

4. CONSULTANTS' PERSONNEL AND SUBCONSULTANTS

4.1 Description of Personnel

The titles, agreed job descriptions, minimum qualifications, and the required experience are described in Appendix A. The Key Personnel listed by title and/or by name, as the case may be, in Appendix A are deemed to be approved by the Client unless otherwise informed, in writing by the Client to the Consultant.

4.2 Removal and/or Replacement of Personnel

(a) Except as the Client may otherwise agree, no changes shall be made in the Key Personnel. If, for any reason beyond the reasonable control of the Consultants, it becomes necessary to replace any of the Key Personnel, the Consultants shall provide as a replacement a person of equivalent or better qualifications;

(b) If the Client, (i) finds that any of the Personnel have committed serious misconduct or have been charged with having committed a criminal action; or (ii) has reasonable cause to be dissatisfied with the performance of any of the Personnel, then the Consultants shall, at the Client's written request specifying the grounds therefor, provide as a replacement a person with qualifications and experience acceptable to the Client.

(c) Except as the Client may otherwise agree, the Consultants shall; (i) bear all the additional travel and other costs arising out of or incidental to any removal and/or replacement; and (ii) bear any additional remuneration, to be paid for any of the Personnel provided as a replacement to that of the Personnel being replaced.

5. OBLIGATIONS OF THE CLIENT

5.1 Assistance, Coordination and Approvals

5.1.1 Assistance

The Client shall use its best efforts to ensure that the Client shall:

(a) provide at no cost to the Consultants and Personnel such documents prepared by the Client or other technical consultants appointed by the Client as shall be necessary to enable the Consultants or Personnel to perform the Services. The documents and the time within which such documents shall be made available, are as specified in the SC;

(b) assist to obtain the existing data pertaining or relevant to the carrying out of the Services, with various Government and other organizations. Such items unless paid for by the Consultants without reimbursement by the Client, shall be returned by the Consultants upon completion of the Services under this Contract;

(c) issue to officials, agents and representatives of the concerned organizations, all such instructions as may be necessary or appropriate for prompt and effective implementation of the Services;

(d) assist to obtain permits which may be required for right-of-way, entry upon the lands and properties for the purposes of this Contract;

(e) provide to the Consultants and Personnel any such other assistance and exemptions as may be specified in the SC.

5.1.2 Co-ordination

The Client shall:

(a) coordinate and get or expedite any necessary approval and clearances relating to the work from any Government or Semi-Government Agency, Department or Authority, and other concerned organization named in the SC.

(b) coordinate with any other consultants employed by him.

5.1.3 Approvals

The Client shall accord approval of the documents within such time as specified in the SC, whenever these are applied for by the Consultants.

5.2 Access to Land

The Client warrants that the Consultants shall have, free of charge, unimpeded access to all land of which access is required for the performance of the Services.

5.3 Change in the Applicable Law

If, after the date of this Contract, there is any change in the Applicable Law which increases or decreases the cost of the Services rendered by the Consultants, then the remunerations and direct costs otherwise payable to the Consultants under this Contract shall be increased or decreased accordingly.

5.4 Services and Facilities

The Client shall make available to the Consultants and the Personnel, for the purpose of the Services and free of any charge, the services, facilities and property described at the times and in the manner as deemed appropriate in the circumstances and mutually agreed by both parties, provided that if such services, facilities and property shall not be made available to the Consultants as and when so specified, the Parties shall agree on; (i) any time extension that it may be appropriate to grant to the Consultants for the performance of the Services; (ii) the manner in which the Consultants shall procure any such services, facilities and property from other sources; and (iii) the additional payments, if any, to be made to the Consultants as a result thereof pursuant to Clause 6 hereinafter.

5.5 Payments

In consideration of the Services performed by the Consultants under this Contract, the Client shall make to the Consultants such payments and in such manner as is provided by Clause 6 of this Contract.

6. PAYMENTS TO THE CONSULTANTS

6.1 Lump Sum Remuneration

The Consultants' total remuneration shall not exceed the Contract Price and shall be a fixed lump sum including all staff costs, incurred by the Consultants in carrying out the Services described in Appendix A. Other reimbursable direct costs expenditure, if any, are specified in the SC. Except as provided in Sub-Clause 5.3, the Contract Price may only be increased above the amounts stated in Sub-Clause 6.2 if the Parties have agreed to additional payments in accordance with Sub-Clauses 2.5, 2.6, 5.4 or 6.6.

6.2 Contract Price

Contract price as mentioned in SC.

6.3 Terms and Conditions of Payment

Payment will be made to the account of the Consultants and according to the payment schedule stated in the SC. Payments shall be made after the conditions listed in the SC for such payments have been met, and the Consultants have submitted an invoice to the Client specifying the amount due.

6.4 Period of Payment

(a) Advance payment to the Consultants shall be affected within the period specified in the SC, after signing of the Contract Agreement between the Parties.

(b) Any other amount due to the Consultants shall be paid by the Client to the Consultants within thirty-five (35) days after the Consultants' invoice has been delivered to the Client.

6.5 Additional Services

Additional Services means:

- (a) Services as approved by the Client outside the Scope of Services described in Appendix A;
- (b) Services to be performed during the period extended pursuant to Sub-Clause 2.6, beyond the original schedule time for completion of the Services; and
- (c) any re-doing of any part of the Services as a result of Client's instructions.

If, in the opinion of the Client, it is necessary to perform Additional Services during the currency of the Contract for the purpose of the Project, such Additional Services shall be performed with the prior concurrence of both the Parties. The Consultants shall inform the Client of the additional time (if any), and the additional remuneration and reimbursable direct costs expenditure for such Additional Services. If there is no confirmation or disagreement, as the case may be, by the Client within two weeks of this intimation, such additional time, remuneration and reimbursable direct costs expenditure shall be deemed to become part of the Contract. Such remuneration and reimbursable direct costs expenditure shall be determined on the basis of rates as approved by the client, in case the Additional Services are performed during the scheduled period of the Services, otherwise remuneration for Additional Services shall be determined on the basis of Consultants' billing rates prevailing at the time of performing the Additional Services.

6.6 Consultants' Entitlement to Suspend Services

If the Client fails to make the payment of any of the Consultants' invoice (excluding the advance payment), within twenty-eight (28) days after the expiry of the time stated in paragraph (b) of Sub-Clause 6.4, within which payment is to be made, the Consultants may after giving not less than fourteen (14) days' prior notice to the Client, suspend the Services or reduce the rate of carrying out the Services, unless and until the Consultants have received the payment.

7. SETTLEMENT OF DISPUTES

7.1 Amicable Settlement

The Parties shall use their best efforts to settle amicably all disputes arising out of or in connection with this Contract or its interpretation.

7.2 Dispute Settlement

Any dispute between the Parties as to matters arising pursuant to this Contract which cannot be settled amicably within thirty (30) days after receipt by one Party of the other Party's request for such amicable settlement may be submitted by either Party for settlement in accordance with the provisions of the Arbitration Act, 1940 (Act No. X of 1940) and of the Rules made thereunder and any statutory modifications thereto.

Services under the Contract shall, if reasonably possible, continue during the arbitration proceedings and no payment due to or by the Client shall be withheld on account of such proceedings.

8. INTEGRITY PACT

8.1 If the Consultant or any of his agents or personnel is found to have violated or involved in violation of the Integrity Pact signed by the Consultant as Form-D to this Form of Contract, then the Client shall be entitled to:

- (a) recover from the Consultant an amount equivalent to ten times the sum of any commission, gratification, bribe, finder's fee or kickback given by the Consultant or any of his agents or personnel;
- (b) terminate the Contract; and
- (c) recover from the Consultant any loss or damage to the Client as a result of such termination or of any other corrupt business practices of the Consultant or any of his agents or servants.

On termination of the Contract under Sub-Para (b) of this Sub-Clause, the Consultant shall proceed in accordance with Sub-Clause 2.9.3. Payment upon such termination shall be made under Sub-Clause 2.9.4 (a) after having deducted the amounts due to the Client under Sub-Para (a) and (c) of this Sub-Clause.

SPECIAL CONDITIONS OF CONTRACT

Number of GC Clause	Amendments of, and Supplement to, Clauses in the General Conditions of Contract
1.1 (o)	"Scope of Work" means " Development of Prefeasibility Studies on SME Businesses " under National Business Development Program for SMEs" as detailed in the Appendix-A.
1.6	<p>Authorized Representatives The Authorized Representatives are the following: For the Client: Project Director National Business Development Program for SMEs 3rd Floor, Building # 3, Aiwan-e-Iqbal Complex, Egerton Road, Lahore Tel: (042) FAX: (042)- 6304926 Email: pd@nbdp.org.pk</p> <p>For the Consultants: (Name of Project Manager): _____ (Project): _____ (Address): _____ _____ _____ Telephone : _____ Facsimile : _____ E. mail : _____</p>
1.7	<p>Taxes and Duties To be paid by consultants as may be levied under the applicable law.</p>
2.1	<p>Effectiveness of Contract The date on which this Contract shall come into effect is the date when the Contract is signed by both the Parties.</p>
2.2	<p>Termination of Contract for Failure to Become Effective The time period shall be twenty-eight (28) days, or such other period as the Parties may agree in writing.</p>
2.3	<p>Commencement of Services The Consultants shall commence the Services within seven (07) days after the date of signing of Contract Agreement, or such other time period as the Parties may agree in writing.</p>
2.4	<p>Expiration of Contract The period of completion of Services shall be 6 months from the Commencement Date of the Services or such other period as the Parties may agree in writing. The Services are estimated to be completed before_____. "Completion of Services" means successful submission of the deliverables under the contract to the satisfaction of the Client.</p>
2.6.3	<p>Liquidated Damages The Consultants shall be liable to pay liquidated damages upto 10% of the contract price.</p>

3.6	Consultants' Actions Requiring Client's Prior Approval The Consultants shall also clear with the Client, before commitments on any action they propose to take under the following: i) Details of any nominated sub-contracts. ii) Any action under terms of Performance Guarantee.						
3.8	Documents Prepared by the Consultants to be the Property of the Client The Consultants shall not use these documents for purposes unrelated to this Contract without the prior written approval of the Client.						
5.1.1	Assistance (a) The time period as may be mutually agreed in writing by the parties. (e) Assistance and exemptions to be provided by the Client as the Parties may agree in writing.						
5.1.2	Coordination (a) Relevant Government Departments as the parties may agree.						
5.1.3	Approvals The Client shall accord approval of the documents as soon as possible but not later than twenty (20) days from the date of their submission by the Consultants.						
6.1	Lump Sum Remuneration The Consultants' total Remuneration shall not exceed the contract price and shall be a fixed lump sum including all staff cost, incurred by the consultants in carrying out the services described in Appendix- A						
6.2	Contract Price (a) The amount in Pakistani Rupees is..... (b) The breakdown of Contract Price shall be as under:						
6.3	Terms and Conditions of Payment Payment shall be released by the Client to the Consultant at the client's choice either in the form of cheque(s) drawn in the favor of the Consultant or in the form of irrevocable inland Letter of Credit (LC) at sight opened in the favor of the Consultant. If Letter of credit is opened in favor of Consultant the cost (commission and bank charges) of LC shall be the responsibility of the selected Consultant. The payment to the Consultant shall be made in part or whole as per the following schedule:						
	#	Items / Output / Deliverable	Payment (%age of Contract Value)	Condition for Release of Payment	1	Mobilization Advance	-
#	Items / Output / Deliverable	Payment (%age of Contract Value)	Condition for Release of Payment				
1	Mobilization Advance	-	Maximum up to 30% of the contract value, subject to submission of Pay-Order / Bank Guarantee of equal amount in favour of the project. If availed, will be adjusted in the Interim				

				Payments proportionately.
	2	Finalization of Topics of Prefeasibility Studies Development.	10%	Submission of invoice and acceptance of deliverable by the project management.
	3	Submission of Draft Financial Models of Prefeasibility Studies	20%	Submission of invoice and acceptance of deliverable by the project management.
	4	Submission of Draft Document of Prefeasibility Studies	50%	Submission of invoice and acceptance of deliverable by the project management.
	5	Submission of Final Prefeasibility Studies	20%	1. Acceptance of deliverable by the project management. 2. Submission of original Invoice and 01 coloured hard & a Soft copy of the prefeasibility studies.
6.4	Period of Advance Payment (a) Within 30 days from date of Submission of Bank Guarantee / Pay Order in lieu of advance payment by consultant. The advance payment shall be recoverable as provided in SC 6.3 above.			

Section VI
Form of Bid and Annexures to Bid

Sr. No	Documents
1	Technical Proposal Submission Form
2	Financial Proposal Submission Form
3	Financial Form (Summary of Cost)
4	Annexure A- Applicant Information Form
5	Annexure A-1- Litigation History
6	Annexure B - Organization Structure of the Applicant
7	Annexure C- General Consultancy Experience
8	Annexure C-1- Relevant Experience
9	Annexure C-2- Top 3 Projects
10	Annexure D - Curriculum Vitae of Key Resources
11	Annexure E - Template for Topics Identification
12	Annexure F - Source of Information
13	Annexure G - Sample Prefeasibility Study

Technical Proposal Submission Form

Date: *[Insert day, month, year]*

Title: *[insert title of assignment]*

To,
Project Director
National Business Development Program for SMEs
3rd floor, building No 3, Aiwan -e-iqbal complex Egerton Road, Lahore.
Tel: 042-111-111-456, Fax: 042-3634926
Email: pd@nbdp.org.pk

We, the undersigned, offer to provide the consultancy services for **“Identification of Topics and Development of Prefeasibility Studies on SME Businesses”** in accordance with your Request for Proposal (RFP) Document dated: *[insert date]*. “We are hereby submitting our Proposal, which includes this Technical Proposal and a Financial proposal sealed in a separate envelope”.

[If the Consultant is a joint venture, insert the following: We are submitting our Proposal a joint venture with: *{Insert a list with full name and the legal address of each member, and indicate the lead member}*. We have attached a copy *{insert: “of our letter of intent to form a joint venture” or, if a JV is already formed, “of the JV agreement”}* signed by every participating member, which details the likely legal structure of and the confirmation of joint and severable liability of the members of the said joint venture.

We hereby declare that,

- We have examined and have no reservations to the RFP Document.
- Our proposal shall be valid and remain binding upon us for the period of time specified in the bidding data.
- We understand that you may cancel the process at any time and that you are not bound to accept any Proposal you may receive, without incurring any liability to the Bidders.
- All information, statements and description contained in this Proposal are in all respect true, correct and complete to the best of our knowledge and belief, we accept that any misleading information contained in it may lead to rejection of proposal.

Signed: *[signature of an authorized representative of the Applicant in Full and Initials]*

Name of the Authorized Contact Person of Firm: _____

In the capacity of: *[insert capacity of person signing the Application]* duly authorized to sign

bids for and on behalf of

Firm Name: _____ Stamp of the Firm: _____

Witness:

Signature: _____

Name: _____

Address. _____

Occupation _____

FINANCIAL PROPOSAL SUBMISSION FORM

Date: [Insert day, month, year]

Title: [insert title of assignment]

To,
Project Director
National Business Development Program for SMEs
3rd floor, building No 3, Aiwan -e-iqbal complex Egerton Road, Lahore.
Tel: 042-111-111-456, Fax: 042-3634926
Email: pd@nbdp.org.pk

We, the undersigned, offer to provide the delivery of “**Identification of Topics and Development of Prefeasibility Studies on SME Businesses**” in accordance with your Request for Proposal (RFP) Document dated: [insert date] and our Technical Proposal. Our attached Financial Proposal is for the sum of [insert amount(s) in figures and words] [insert the amount “including all taxes”] {Please note that all amount shall be the same as in Financial Proposal Form}

Our Proposal shall be binding upon us up to the expiration of bid validity period, as stated in clause 14.1 of Bidding data sheet.

No commissions, gratuities or fees have been or are to be paid by us to agents or any other party relating to this Proposal and, in the case of award, Contract execution.

We understand that you are not bound to accept any proposal you receive

Yours sincerely,

Authorized Signature [in full and initials]: _____

Name and Title of Signatory: _____

Name of Firm: _____

Address: _____

[In case of JV either all the members sign or only the lead member in JV, in which case the power of attorney to sign on behalf of all members shall be attached]

FINANCIAL FORMSchedule of Costs

The bidders are required to submit their financial proposal as per the following:

Sections	Development of Prefeasibility Studies on SME Businesses			
	Description	No. of Feasibilities to be Developed	Average Cost (Rs. / Feasibility)	Total Cost (Rs.) All Inclusive
1st Component	Identification and Finalization of Topics	40		
2nd Component	Development of Prefeasibility Studies	40		
Total Cost				

Annexure – A
Applicant Information Form

S #	Required Information	Response
1	Legal name of the Firm	
2	Year of Registration	
3	National Tax Number	
4	Core business area(s) of the organization (Please indicate up to top three areas only)	
5	What is the legal status of your organization? Tick the relevant box (one box only). (Attach Copy / Copies of Registration Certificate(s))	• Public Sector Organization
		• Section 42 Company
		• Public Ltd. Company
		• Private Ltd. Company
		• Partnership Firm
6	Geographical Presence of the firm	• Others (Please specify)
		• Punjab
		• Khyber Pakhtunkhwa
		• Sindh
7	Name and designation of 'Head of Organization'/Company directors or founders	
	Years of association with the firm	
	Mobile:	
	Phone/s:	
	Email:	
	Fax:	
	Address of organization:	
	Website address:	
8	Name and designation of 'Authorized Contact Person':	
	Phone/s:	
	Mobile:	
	Email:	
	Fax:	

Annexure – A (1)

Litigation History

Sr. No	Party / Parties of the claim or dispute	Nature of claim or dispute	Amount of the claim or dispute	Date initiated	Status (award for or against the Bidder, pending or ongoing)

Annexure – B

ORGANIZATION STRUCTURE OF THE APPLICANT

1. Applicants are required to provide organization structure indicating the details of various departments.
2. Please attach the organogram showing the hierarchy of the organization and provide reference page number here.

Annexure – C**General Consultancy Experience**

(Provide Documentary Evidence*: Award of contract / Completion Certificates etc.)

General Consultancy Experience (Project Sheet No. 1*)		
Sr. #	Required Information	Response (Please provide exact information with project title, location/s and duration)
1	Project Title [The project title means the actual name of the project]	
2	Name & Industry of the Employer	
3	Scope of assignment & Role of the Applicant	[Attach separate sheet and provide page reference number here]
4	Year / Duration of Assignment	Year: XXXX Duration (MONTHS)
5	Cost of the Assignment (Rs.)	
5	Contact details of Employer, Location(s) Country / City	
6	Project Status	• Completed
		• In Progress

*Copy the above table for another response.

**Only Projects / Assignments with Verifiable documentary Evidence would be considered

Annexure – C (1)**Relevant Experience****(Provide Documentary Evidence**: Award of contract / Completion Certificates etc.)**

Relevant Experience (Project Sheet No. 1*)		
Sr. #	Required Information	Response (Please provide exact information with project title, location/s and duration)
1	Project Title [The project title means the actual name of the project]	
2	Name & Industry of the Employer	
3	Scope of assignment & Role of the Applicant	[Attach separate sheet and provide page reference number here]
4	Year / Duration of Assignment	Year: XXXX Duration (MONTHS)
5	Cost of the Assignment (Rs.)	
5	Contact details of Employer, Location(s) Country / City	
6	Project Status	• Completed
		• In Progress

Copy the above table for another response.***Only Projects/Assignments with Verifiable documentary Evidence would be considered******* In Addition, to the documentary Evidence, the potential firm may also submit the relevant feasibility study / business plan conducted by the firm**

Annexure – D

“Curriculum Vitae”

Name of Expert:	(Insert full name)
Date of Birth:	(day / month / year)
CNIC Number:	
Mobile Number:	
Email Address:	
Postal Address:	
Current Position Title	

Education: (List college / university or other specialized education)

#	Name of Degree / Diploma	Specialization	Year of Passing (YYYY)	Name of the Institution, Location

Total Experience of the Employee (Years): _____

Employment with Applicant

Period: MM/YYYY to (MM/YYYY)	
Job Title:	
Summary of activities performed:	

Other Employment record relevant to the assignment: [Starting with present position, list in reverse order. Please provide dates, name of employing organization, titles of positions held, types of activities performed and location of the assignment, and contact information of previous clients and employing organization(s) who can be contacted for references. Past employment that is not relevant to the assignment does not need to be included, copy format provided below, for each of employment record]

Membership in professional Associations and Publications:

Certification:

I, the undersigned, certify that to the best of my knowledge and belief, this CV correctly describes myself, my qualifications and my experience, and I am available to undertake the assignment in case of an award. I understand that any misstatement or misrepresentation describes herein may lead to my disqualification or dismissal by the client.

Name:	
Date:	
Signature	

Annexure – E

“Template for Topics Identification”

The consultant will share the tentative list of 40 topics of prefeasibility studies based on inputs from industry stakeholders and secondary data analysis.

Sr. No.	Title of Feasibility Study	Brief Description of the Project	Brief Description of the end Product(s)	Estimated Investment (Rs.)	Preferred Business Locations	Source(s) of Information
1	Melamine Tableware Manufacturing Unit	This project will use local made machinery including Electric heat control hydraulic press, different moulds, paper printing, grinding machine and buffing.	Melamine Tableware include Dinner Set, Tray, Bowls etc.	10-15 Million	Gujranwala Lahore Karachi	Name of CCI or Trade Body or Secondary Data Sources
2						
3						
4						
5						

Annexure – F

“Sources of Information”

The consultant will share the details for sources of information, consulted / referred to the development of Prefeasibility Studies for all Machinery / Equipment / Utilities / Materials / Services etc.

Sr. No	Description (Name, specification, capacity)	Vendor (Name & Address)	Website / Email	Contact Person (Name & No.)	Date of data collection
1	Example: Generator 1500 KVA Turbo Type, 1500KVA, 400 Volts, 50 Cycles, 1500 RPM, Power Factor 0.8				
2					
3					
4					

Annexure - G

Pre-Feasibility Study

TOMATO PASTE AND FRUIT PULPING UNIT



Small and Medium Enterprises Development Authority
Ministry of Industries & Production
Government of Pakistan
www.smeda.org.pk

HEAD OFFICE

4th Floor, Building No. 3, Aiwan-e-Iqbal Complex, Egerton Road,
Lahore
Tel (92 42) 111 111 456, Fax: (92 42) 36304926-7
helpdesk@smeda.org.pk

REGIONAL OFFICE PUNJAB	REGIONAL OFFICE SINDH	REGIONAL OFFICE KHYBER PAKTUNKHWA	REGIONAL OFFICE BALOCHISTAN
3 rd Floor, Building No. 3, Aiwan-e-Iqbal Complex, Egerton Road, Lahore. Tel: (042) 111 111 456, Fax: (042) 36304926-7 helpdesk.punjab@smeda.org.pk	5 th Floor, Bahria Complex II, M.T. Khan Road, Karachi. Tel: (021) 111-111-456 Fax: (021) 35610572 helpdesk-khi@smeda.org.pk	Ground Floor State Life Building The Mall, Peshawar. Tel: (091)111 111 456,9213046-7 Fax: (091) 5286908 helpdesk-pew@smeda.org.pk	Bungalow No. 15-A Chamn Housing Scheme Airport Road, Quetta. Tel: (081) 2831623, 2831702 Fax: (081) 2831922 helpdesk-qta@smeda.org.pk

June 2018

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1 DISCLAIMER

This information memorandum is to introduce the subject matter and provide a general idea and information on the said matter. Although, the material included in this document is based on data/information gathered from various reliable sources; however, it is based upon certain assumptions, which may differ from case to case. The information has been provided on as is where is basis without any warranties or assertions as to the correctness or soundness thereof. Although, due care and diligence has been taken to compile this document, the contained information may vary due to any change in any of the concerned factors, and the actual results may differ substantially from the presented information. SMEDA, its employees or agents do not assume any liability for any financial or other loss resulting from this memorandum in consequence of undertaking this activity. The contained information does not preclude any further professional advice. The prospective user of this memorandum is encouraged to carry out additional diligence and gather any information which is necessary for making an informed decision, including taking professional advice from a qualified consultant/technical expert before taking any decision to act upon the information.

For more information on services offered by SMEDA, please contact our website: www.smeda.org.pk

DOCUMENT CONTROL

Document No.	PREF-41
Revision	3
Prepared by	SMEDA-Punjab
Revision Date	June 2018
For Information	Provincial Chief Punjab janjua@smeda.org.pk

2 EXECUTIVE SUMMARY

Nature has blessed Pakistan with an ideal climate for growing a large variety of fruits and vegetables. However around 30% of vegetables / fruits are wasted due to negligence and lack of processing facilities which could convert them into non-perishable value added commodity. The demand of processed food is increasing tremendously across the globe. Pakistan being an agricultural country has huge potential to capitalize on this growing demand of value added vegetable / fruit products both in international and local market.

This particular pre-feasibility study is for setting-up a medium sized “Tomato Paste and Fruit (Mango & Guava) Pulping Unit. This business venture should ideally be started in urban cities of South Punjab and Interior Sindh. The proposed unit will have a maximum capacity of producing 1,280 tons of tomato paste, 6,720 tons of mango pulp and 5,600 tons of guava pulp. The initial operational capacity of the proposed unit is assumed at 60% (768 tons tomato paste, 4,032 tons mango pulp and 3,360 tons guava pulp), whereas maximum capacity is considered as 95%. This production capacity is estimated to be economically viable and justifies the capital as well as operational costs of the project. Technical knowledge and experience of the entrepreneur is absolutely necessary for the success of the proposed venture.

The estimated cost of the project is Rs. 515.57 million out of which Rs. 427.28 million would be capital investment and remaining Rs. 88.29 million would be for working capital. The project is proposed to be financed through 50% debt and 50% equity. The project NPV is around Rs. 174.06 million, with an IRR of 23% and payback period of 4.75 years. The project will provide employment opportunities to 45 people including owner manager. The legal status of this project is proposed as ‘Sole Proprietorship’.

3 INTRODUCTION TO SMEDA

The Small and Medium Enterprises Development Authority (SMEDA) was established in October 1998 with an objective to provide fresh impetus to the economy through development of Small and Medium Enterprises (SMEs).

With a mission "to assist in employment generation and value addition to the national income, through development of the SME sector, by helping increase the number, scale and competitiveness of SMEs", SMEDA has carried out 'sectorial research' to identify policy, access to finance, business development services, strategic initiatives and institutional collaboration and networking initiatives.

Preparation and dissemination of prefeasibility studies in key areas of investment has been a successful hallmark of SME facilitation by SMEDA.

Concurrent to the prefeasibility studies, a broad spectrum of business development services is also offered to the SMEs by SMEDA. These services include identification of experts and consultants and delivery of need based capacity building programs of different types in addition to business guidance through help desk services.

4 PURPOSE OF THE DOCUMENT

The objective of the pre-feasibility study is primarily to facilitate potential entrepreneurs in project identification for investment. The project pre-feasibility may form the basis of an important investment decision and in order to serve this objective, the document / study covers various aspects of project concept development, start-up, and production, marketing, finance and business management.

The purpose of this document is to facilitate potential investors in **Tomato Paste and Fruit Pulping Unit** business by providing them a general understanding of the business with intention of supporting potential investors in crucial investment decisions.

The need to come up with pre-feasibility reports for undocumented or minimally documented sectors attains greater imminence as the research that precedes such reports reveal certain thumb rules; best practices developed by existing enterprises by trial and error and certain industrial norms that become a guiding source regarding various aspects of business set-up and its successful management.

Apart from carefully studying the whole document, one must consider critical aspects provided later on, which shall form the basis of any investment decision.

5 BRIEF DESCRIPTION OF PROJECT & PRODUCT

Nature has blessed Pakistan with an ideal climate for growing a large variety of vegetables and fruits, most notably Mango, Citrus, Guava, Apple, Onion, Potato, Tomato etc. Unfortunately, production of fruits in Pakistan has often not been accompanied by

better post-harvest management and appropriate modernization of the processing techniques. It has been observed that demand of value added products, especially fruit pulps and paste, has increased tremendously due to its use as raw material for juices, ice cream, fruit yogurts, ketchup and other similar items in both local and international markets.

Pakistan is the one of the largest fresh fruit exporters of the world and has huge demand in the international market due to rich flavor, aroma and taste. However, we are nowhere in the export of fruit pulp that has huge exporting potentials. Similarly, fruit juices and beverages industry is recognized as the leading industries, which also requires adequate supply of fruit pulp from the local market. Therefore, in order to cater for the demand of local super store / international markets our fruit processors requires modern processing facilities.

Due to stated reasons, the pulping of fresh fruits is a commercially viable business option for investors. Accordingly, this particular project is related to setting-up a modernly equipped 'Tomato Paste and Pulping Unit' especially for Tomato, Mango and Guava fruits that has huge market potentials at both local and international market levels. According to the proposed business model, raw material will be purchased directly from farmers or distributors, paste and fruit pulp will be produced and sold both in local and international markets.

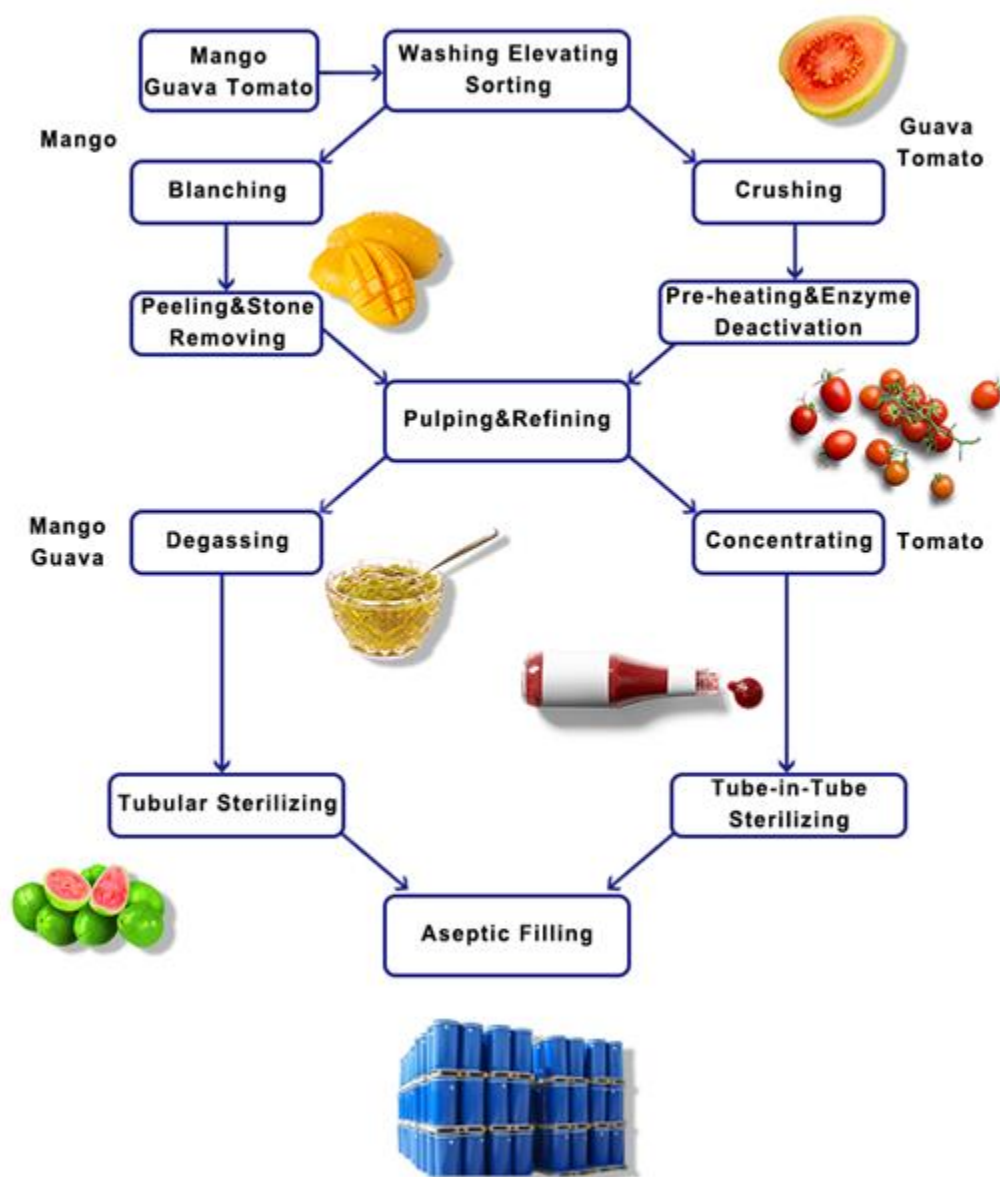
The major scope of processing activities will include post-harvest handling, pre-cooling, grading, ripening, pulping, packing and logistics.

5.1 Production Process Flow

The process flow of purposed unit services mainly entails the following sequence of activities:

Figure 1: Production Process Flow

TYPICAL MANGO, GUAVA & TOMATO SAUCE PROCESS FLOW



5.2 Installed and Operational Capacities

Following table depicts the installed and operational capacities of the proposed unit:

Table 1: Installed and Operational Capacity

Product Description	Total Installed Capacity (Tons)	Operational Capacity @ 60% (Year 1)
Tomato Paste	1,280	768
Mango Pulp	6,720	4,032
Guava Pulp	5,600	3,360

6 CRITICAL FACTORS

Following are the factors critical for the success of this business venture:

- ⇒ Background knowledge and technical qualification of the entrepreneur and key staff in horticulture and fresh fruit processing is necessary.
- ⇒ Awareness about HACCP standards and Strict Quality assurance of process and products.
- ⇒ Selection of quality fruits on the basis of best analysis of cost and revenues for a given season; cost efficiency through better management.
- ⇒ Appropriate post-harvest arrangement for transportation of product to the processing unit.
- ⇒ Appropriate storage arrangement and internal control for processed fruits; cold chain refer container arrangements for transportation to local and international markets.
- ⇒ Properly trained seed staff should be engaged and comprehensive staff training programs to be adopted for capacity building.
- ⇒ Processing contract with farmers and traders for value added business opportunities.
- ⇒ Careful selection of good location and purchase of land at competitive price.
- ⇒ Effective marketing and distribution of the product particularly to the exporters, industrial units and super store buyers.

7 GEOGRAPHICAL POTENTIAL FOR INVESTMENT

The recommended location for establishing a tomato paste and fruit pulp unit is near those areas where these fruits are produced and the finished products can be transported to masses easily. Most of the Mango Orchards are in South Punjab and Sindh whereas Guava orchards are mainly found in Upper Punjab, Hyderabad, and Sukkur etc.

Therefore it is most appropriate that the proposed plant is to be established near these urban centers i.e. Karachi, Lahore, Hyderabad, Multan, Sukkur, Mirpurkhas and Bahawalpur.

8 POTENTIAL TARGET MARKETS

The proposed unit will produce tomato paste and pulp of Mango and Guava fruit. These products will not directly cater the needs of end users but target the industrial consumers. For instance tomato paste is used to produce different finished products and pulp is used as basic raw material for production of juices, ice creams, frozen desserts, flavoured yogurts, jelly, jams and many others. Accordingly, the main buyers of these products will be manufacturing concerns of stated value added fruit products and fruit juice producers both in local and international markets.

The main export markets for Pakistani processed fruits / pulp are USA, Europe, Middle East, Far East, Canada, Russia and Sri Lanka.

9 PROJECT COST SUMMARY

A detailed financial model has been developed to analyse the commercial viability of the proposed unit. Various costs and revenue related assumptions along with results of the analysis are outlined in this section.

The projected Income Statement, Cash Flow Statement and Balance Sheet are also attached as annexure.

9.1 Project Economics

All the figures in this financial model have been calculated for installed capacity of processing 6,400 tons of tomato for tomato paste, 9,600 tons of mango for mango pulp and 8,000 tons of guava for guava pulp.

The following table shows Internal Rate of Return, Payback Period and Net Present Value of the proposed venture:

Table 2: Project Economics

Description	Details
Internal Rate of Return (IRR)	23%
Pay Back Period	4.75 Years
Net Present Value (NPV)	Rs. 174,064,844

9.2 Project Financing

Following table provides the details of required equity and variables related to bank loan:

Table 3: Project Financing

Description	Details
Total Equity (50%)	Rs. 257,786,603
Bank Loan (50%)	Rs. 257,786,603
Annual Markup to the Borrower– Long Term Loan	12%
Tenure of the Loan (Years)	5

9.3 Project Cost

Following fixed and working capital requirements have been identified for operations of the proposed business:

Table 4: Project Investment

Capital Cost	Amount Rs.
Land	15,000,000
Building and Infrastructure	57,337,088
Machinery and Equipment	326,950,580
Furniture and Fixtures	1,461,250
Office Vehicles	1,034,800
Office Equipment	1,507,500
Pre-Operating Costs	23,990,000
Total Capital Cost	427,281,218
Working Capital	
Equipment Spare Inventory	3,000,000
Raw material Inventory	60,336,000
Upfront Insurance Payment	1,829,272
Cash	23,126,715
Total Working Capital	88,291,987
Total Project Cost	515,573,205

9.4 Machinery and Equipment Requirement

Following machinery and equipment will be required to run the operations of the proposed project:

Table 5: Machinery & Equipment Detail

Description	Quantity	Price per Unit	Total Cost (Rs.)
Imported Machinery			
Fruit Washing			13,164,000
Mango Peeling and De-Stoning			2,040,000
Guava Tomato heating and Pre-Crushing			6,600,000
Pulping			6,540,000
Sterilizing, Evaporation & Filling			66,960,000
Auxiliary System			18,492,000
Pipelines, Pumps, Valves, Wires, Cables and other accessories			4,800,000
Freight & Insurance			1,800,000
Installation, Commissioning, Start-up and Staff Training			1,560,000
Machinery Price			121,956,000
Custom Duty		5.0%	6,097,800
Sales Tax		17.5%	20,732,520
Withholding Tax		5.5%	6,707,580
Additional Sales Tax		3.0%	3,658,680
Clearance and port Charges			900,000
Loading/ Unloading Charges			150,000
Local Freight and Lifting of Machinery			1,500,000
Total Cost of Imported Machinery			161,702,580
Local Machinery			
Boiler Smoke tube packaged boiler, 15 ton/hr. x rotary cup burner (gas & heavy oil)	1	35,000,000	35,000,000
Water Treatment Plant (Water Softener) To convert hard water in soft water by Zeolite ion exchange process, required degree of hardness after treatment is 0.	1	2,000,000	2,000,000
Potable Water Treatment Plant 20 Cu. M. per hour			1,500,000
Belt Conveyor To Convey fruit @ 10ton/hr from sorting area to washing unit, Length 18m, Width 0.9m; belt made in reinforced rubber 2 ply belt thickness 2mm Drive: geared with starter and safety	1	1,800,000	1,800,000

interlocking system			
supporting structure in MS			
Stainless steel tanks with agitators - 3000 L	2	550,000	1,100,000
Stainless steel tanks with agitators - 4000 L	2	650,000	1,300,000
Generator 1500 KVA			
Turbo Type, 1500KVA, 400 Volts, 50 Cycles, 1500 RPM, Power Factor 0.8		36,000,000	-
Water Chiller with Pumps	1	15,000,000	15,000,000
Piping, and valves for water, steam and air			12,400,000
Fuel tank for generator	1	500,000	500,000
Industrial Fans	15	80,000	1,200,000
Fork lift truck			
Battery operated with solid rubber tyres, capacity 2.5 tons, fork length 4 ft, stacking height 12 ft.	1	4,000,000	4,000,000
Waste Hopper Bin			
MS Sheet hopper with the stand. Bottom height 12 ft, bottom opening gate 2x 2 ft with hydraulic controlled opening. 10-12 tons holding of solid waste of fruit processing	3	1,300,000	3,900,000
Air Compressor			
With dryer and filter oil free screw type capacity 08 bar consumption 500 ltr/min. Storage tank for air - 1000 Ltr MS Tank	1	1,500,000	1,500,000
Weigh Bridge			
30 x 10 feet size, 60 tons capacity	1	2,100,000	2,100,000
Cooling Tower	1	10,800,000	10,800,000
Effluent Water Treatment Plant	1	10,000,000	10,000,000
Workshop Items			3,500,000
Electrical Panels			5,000,000
Others (Installation, Labor charges, welding plants, tools etc.)			7,000,000
Sub Total			119,600,000
Laboratory Equipment			
Water Bath 6-8 holes with adjustable temperature	1	150,000	150,000
Spirit Lamp Burner with stand and stainless steel tongs	2	1,000	2,000
Oven Incubator with 3-5 shelves	1	150,000	150,000
Auto Clave Electric autoclave, temperature range 125-135 C	1	310,000	310,000

Colony Counter With adjustable magnifying glass	1	50,000	50,000
Microscope 4, 10, 40 and 100X binocular	1	62,000	62,000
Lab ware Autoclavable and non-auto clavable			210,000
Media Different types of medias			1,100,000
Incubator 3-5 Shelves, Temp range 10 - 60 C	1	580,000	580,000
Laminar Air Flow Cabinet	1	140,000	140,000
Miscellaneous	-		1,558,000
Weigh Balance 0.1g readability and capacity of 600-1200g	1	22,000	22,000
pH meter Bench type with pH and temperature probes	1	37,000	37,000
Conductivity meter Protabe with multiple probe including conductivity / TDS / Salt and Temperature	1	41,000	41,000
Viscometer Spindle Type	1	570,000	570,000
Viscometer Time / Flow Type	1	260,000	260,000
Centrifuge General Purpose variable speed with 15ml conical test tubes	1	290,000	290,000
Refractometer Hand type 0-32 brix and 0-53 brix	2	14,000	28,000
Refractometer Abbe's 0-95 brix	1	300,000	300,000
Thermometer Digital probe type with wide temperature range	1	46,000	46,000
Magnifying Glass General Purpose	1	5,000	5,000
Desicator	3	2,000	6,000
Stirrer Hot plate type magnet stirrer	1	21,000	21,000
Burette Digital auto burette	2	60,000	120,000
Glass Ware			150,000
Refrigerator 12 Cubic Feet Size	1	40,000	40,000
Sub Total			6,248,000
Cold Store 1,000 Tons			25,000,000
Plastic Crates	24,000	600	14,400,000
Total Machinery & Equipment			326,950,580

9.5 Office Equipment Requirement

Following tables provides list of office equipment required for setting-up an average size software house:

Table 6: Office Equipment

Description	Quantity	Unit Cost (Rs.)	Total Cost (Rs.)
Laptop	1	125,000	125,000
Computers with LCD	16	45,000	720,000
Printer	3	20,000	60,000
Scanner	1	15,000	15,000
Networking Equipment with Accessories			150,000
Mini Telephone Exchange	1	100,000	100,000
Telephone Sets	15	2,500	37,500
Fax machine	1	20,000	20,000
Photocopy Machine	1	150,000	150,000
Water Dispenser	2	20,000	40,000
Refrigerator	1	50,000	50,000
Electric Water Cooler	2	20,000	40,000
Total			1,507,500

9.6 Furniture and Fixture Requirements

The details of required furniture and fixture for the proposed software house are provided in the following table:

Table 7: Furniture and Fixture Required

Description	Quantity	Unit Cost (Rs.)	Total Cost (Rs.)
Managers Tables	11	25,000	275,000
Managers/ Officers Chairs	11	10,000	110,000
Visitor Chairs	22	7,500	165,000
Officers Tables	10	15,000	150,000
File Racks	11	15,000	165,000
Sofa Sets	2	30,000	60,000
Split Air-Conditioner	7	70,000	490,000
Misc. and Contingency		5%	46,250
Total			1,461,250

9.7 Space Requirement

The proposed tomato paste and fruit pulp unit will be set-up on purchased land. In this regard a plot measuring 10 Kanal will be acquired in any of the proposed locations. This space requirement has been calculated on the basis of proposed manpower and other official engagements. Following table provide the details of space requirement:

Table 8: Space Requirement

Description	Area (Sq. ft.)
Office Block	1,500
Meeting Room	300
Micro Lab, Lab & Office	500
Processing Hall	10,000
Sorting Hall	2,500
Cold Storage	2,500
Machine Room	500
Store	1,500
Shed	2,000
Fruit Ripening Area	4,500
Toilets	300
Change Room	250
Pavement/ Driveway	7500
Grounds Landscaping	11030
Guard Room	120
Total Area	45,000

The estimated price of per Kanal of Land is taken as Rs. 1,500,000.

9.8 Vehicle Requirement

Following vehicles will be required to cater the logistics of the proposed unit:

Table 9: Office Vehicle Requirement

Description	Quantity	Cost / Unit (Rs.)	Total Cost (Rs.)
800 cc Carry	1	800,000	800,000
70 cc Motorcycle	3	65,000	195,000
Registration Cost		4% of Vehicle cost	39,800
Total Cost of Vehicles			1,034,800

9.9 Human Resource Requirement

Following table provides details of human resource required for the project along with monthly salaries:

Table 10: Human Resource Requirement

Description	No. Of Employees	Salary per Employee Per Month (Rs)
CEO/owner	1	125,000
Manager Plant	1	100,000
Manager Finance & Admin	1	100,000
Manager Marketing	1	100,000
Marketing Executive	2	40,000
Manager Procurement	1	75,000
Purchase Officers	2	30,000
Assistant Manager Plant	1	40,000
Quality Assurance Manager	1	50,000
Electrical Incharge	1	40,000
Plant Supervisors	2	40,000
Mechanical Foreman	1	40,000
Boiler Engineer	1	40,000
Accounts Officer	2	30,000
Store Keeper	2	25,000
Quality Assurance Officer	2	30,000
Assistant to Admin & HR	1	30,000
Office Coordinator	1	20,000
Filler Operator	2	30,000
Supervisors	1	25,000
Boiler Operators	1	30,000
Cold Store Operator	2	30,000
Mechanic/ Fitter	2	25,000
Electrician	1	25,000
Weigh Bridge Operator	1	18,000
Driver	1	20,000
Lifter Operator	2	20,000
Office Boy	3	15,000
Gardner	1	15,000
Sweeper	2	15,000
Guards	2	15,000
Total	45	

Salaries of all employees are estimated to increase at 10% annually.

9.10 Revenue Generation

Following table provide assumption for revenues and generation of the proposed software house during first year of operation:

Table 11: Revenue Generation - Year 1

Product Description	Production Quantity Sold (Tons)	Sales Price (Rs. / Ton)	Revenue (Rs.)
Tomato Paste	768	139,750	107,328,000
Mango Pulping	4,032	123,625	498,456,000
Guava Pulping	3,360	75,250	252,840,000
Total Sales Revenue	8,160		858,624,000

9.11 Other Costs

An essential cost to be borne by the project is the cost of gas and electricity. The direct gas and direct electricity expenses are estimated to be around Rs. 17.14 million and Rs. 74.05 million, respectively, in year one with 10% increase in subsequent years. Furthermore, promotional expenses are estimated as 0.25% of revenue and communication expenses of Rs. 1.92 million per annum.

10 CONTACT DETAILS

10.1 Machinery and Equipment Suppliers

Name	Address	Phone	Email/Website
Shanghai Jump Machinery and Company Limited	No.986 Hejing Road, Jiading District, Shanghai, P.R China	0086-21-59571328	www.sinojump.com
Faheem baig	Shahra-e-Faisal Karachi-75530	0092-21-35660920-22	faheem@helperco.com.pk
Helperco (Pvt) Limited Lahore	Room # 3, 3rd Floor Al-Hafeez Towe	0092-42-35785395-96	www.helpercopvtltd.com.pk
Bertuzzi Food Processing	21052 Busto-Varese-Italy	+390331356299	www.bertuzzi.it
Jaffer Brothers Pvt. Ltd.	3, Mall mansion, 30-Shahrah-e-Quaid-e-Azem Lahore	+92-42-37320186	
SigmaTech Imports	1-Mozang road, Behind High Court Lahore	+92-51-2803154	
S.T Associates	Office No. 10, 2 nd floor, Mujahid Plaza, Blue Area Islamabad	0321-5155764	
Afga Tech	C-10, Ground Floor, Ruqia square, Block No. 14, Feral Area, Karachi	+92-300-8299892	
Kold Kraft	247-S Industrial Estate KotLakhat, Lahore	+92-42-35116727-28	
Al-Aziz Enterprises	10-km, Lahore Road Sargodha	+92-300-9606642	

11 USEFUL LINKS

Small & Medium Enterprises Development Authority (SMEDA)	www.smeda.org.pk
Government of Pakistan	www.pakistan.gov.pk
Ministry of Industries & Production	www.moip.gov.pk
Ministry of Education, Training & Standards in Higher Education	http://moptt.gov.pk
Government of Punjab	www.punjab.gov.pk
Government of Sindh	www.sindh.gov.pk
Government of Khyber Pakhtunkhwa	www.khyberpakhtunkhwa.gov.pk
Government of Balochistan	www.balochistan.gov.pk
Government of Gilgit Baltistan	www.gilgitbaltistan.gov.pk
Government of Azad Jamu Kashmir	www.ajk.gov.pk
Trade Development Authority of Pakistan (TDAP)	www.tdap.gov.pk
Security Commission of Pakistan (SECP)	www.secp.gov.pk
Federation of Pakistan Chambers of Commerce and Industry (FPCCI)	www.fpcci.com.pk
State Bank of Pakistan (SBP)	www.sbp.org.pk
Punjab Small Industries Corporation	www.psic.gop.pk
Sindh Small Industries Corporation	www.ssic.gos.pk
Pakistan Horticulture Development and Export Company (PHDEC)	www.phdec.org.pk
Punjab Vocational Training Council (PVTC)	www.pvtc.gop.pk
Technical Education and Vocational Training Authority (TEVTA)	www.tevta.org
Punjab Industrial Estates (PIE)	www.pie.com.pk
Faisalabad Industrial Estate Development and Management Company (FIEDMC)	www.fiedmc.com.pk
Ministry of National Food Security and Research (MNFSR)	www.mnsfr.gov.pk
Pakistan Agriculture Research Council (PARC)	www.parc.gov.pk
National Agriculture Research Council (NARC)	www.narc.gov.pk
Agriculture University of Faisalabad (UAF)	www.uaf.edu.pk

12 ANNEXURES

12.1 Income Statement

Calculations										SMEDA
Income Statement										
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Revenue	858,624,000	985,986,560	1,125,541,581	1,278,293,652	1,445,324,023	1,627,796,181	1,826,961,831	2,044,167,294	2,166,817,331	2,296,826,371
Cost of sales										
Raw Material Cost of Mango Pulping	338,112,000	384,602,400	434,896,560	489,258,630	547,969,666	611,328,658	679,653,626	753,282,769	790,946,907	830,494,252
Raw Material Cost of Guava Pulping	185,760,000	211,302,000	238,933,800	268,800,525	301,056,588	335,866,256	373,404,249	413,856,376	434,549,195	456,276,655
Raw Material Cost of Tomato Paste	79,488,000	90,417,600	102,241,440	115,021,620	128,824,214	143,719,514	159,782,283	177,092,031	185,946,632	195,243,964
Labor Wages for Pulping	12,145,140	13,815,097	15,621,686	17,574,397	19,683,325	21,959,209	24,413,474	27,058,267	28,411,180	29,831,739
Production Labor	10,915,200	13,007,280	15,408,624	18,160,164	21,307,926	24,903,638	29,005,414	33,678,508	37,046,359	40,750,995
Machinery & Generator Maintenance	1,000,000	1,100,000	1,210,000	1,331,000	1,464,100	1,610,510	1,771,561	1,948,717	2,143,589	2,357,948
Electricity Cost	19,216,800	22,900,020	27,127,716	31,971,951	37,513,756	43,844,202	51,065,600	59,292,836	65,222,119	71,744,331
Gas Cost	17,136,000	20,420,400	24,190,320	28,510,020	33,451,757	39,096,741	45,536,204	52,872,592	58,159,852	63,975,837
Fuel Cost	54,835,200	65,345,280	77,409,024	91,232,064	107,045,622	125,109,570	145,715,853	169,192,296	186,111,525	204,722,678
Total cost of sales	718,608,340	822,910,077	937,039,170	1,061,860,371	1,198,316,953	1,347,438,299	1,510,348,264	1,688,274,392	1,788,537,359	1,895,398,399
Gross Profit	140,015,660	163,076,483	188,502,410	216,433,281	247,007,070	280,357,882	316,613,567	355,892,902	378,279,972	401,427,972
General administration & selling expenses										
Administration expense	10,080,000	11,088,000	12,196,800	13,416,480	14,758,128	16,233,941	17,857,335	19,643,068	21,607,375	23,768,113
Administration benefits expense	504,000	554,400	609,840	670,824	737,906	811,697	892,867	982,153	1,080,369	1,188,406
Utilities (Electricity, Gas, Water etc)	960,840	1,145,001	1,356,386	1,598,598	1,875,688	2,192,210	2,553,280	2,964,642	3,261,106	3,587,217
Travelling expense	1,438,200	1,582,020	1,740,222	1,914,244	2,105,669	2,316,235	2,547,859	2,802,645	3,082,909	3,391,200
Communications expense (phone, fax, mail, internet, etc.)	1,917,600	2,109,360	2,320,296	2,552,326	2,807,558	3,088,314	3,397,145	3,736,860	4,110,546	4,521,600
Office vehicles running expense	225,000	247,500	272,250	299,475	329,423	362,365	398,601	438,461	482,307	530,538
Office expenses (stationary, entertainment, janitorial services, etc.)	1,917,600	2,109,360	2,320,296	2,552,326	2,807,558	3,088,314	3,397,145	3,736,860	4,110,546	4,521,600
Promotional expense	2,146,560	1,931,904	1,738,714	1,564,842	1,408,358	1,267,522	1,140,770	1,026,693	924,024	831,621
Insurance expense	1,829,272	1,643,241	1,457,209	1,271,177	1,085,146	949,111	759,289	569,466	379,644	189,822
Professional fees (legal, audit, consultants, etc.)	575,280	632,808	696,089	765,698	842,267	926,494	1,019,144	1,121,058	1,233,164	1,356,480
Depreciation expense	36,417,497	39,428,050	39,428,050	39,507,257	39,507,257	39,633,608	39,725,300	39,725,300	39,725,300	39,831,444
Amortization of pre-operating costs	4,798,000	4,798,000	4,798,000	4,798,000	4,798,000	-	-	-	-	-
Amortization of Contingency Cost	-	-	-	-	-	-	-	-	-	-
Miscellaneous expense	1,917,600	2,109,360	2,320,296	2,552,326	2,807,558	3,088,314	3,397,145	3,736,860	4,110,546	4,521,600
Subtotal	64,727,450	69,379,004	71,254,447	73,463,572	75,870,516	73,958,125	77,085,880	80,484,067	84,107,836	88,239,643
Operating Income	75,288,210	93,697,479	117,247,963	142,969,710	171,136,554	206,399,757	239,527,688	275,408,835	294,172,137	313,188,330
Gain / (loss) on sale of office vehicles	-	-	-	-	413,920	-	-	-	-	-
Earnings Before Interest & Taxes	75,288,210	93,697,479	118,152,463	142,969,710	171,550,474	207,899,078	239,527,688	275,408,835	296,133,914	313,188,330
Subtotal	3,418,905	26,204,576	19,879,898	12,753,093	4,722,430	-	-	-	-	-
Earnings Before Tax	71,869,306	67,492,903	98,272,565	130,216,617	166,828,044	207,899,078	239,527,688	275,408,835	296,133,914	313,188,330
Tax	24,373,756	22,842,015	33,614,897	44,795,315	57,609,315	71,984,177	83,054,190	95,612,592	102,866,369	108,835,415
NET PROFIT/(LOSS) AFTER TAX	47,495,549	44,650,888	64,657,668	85,421,302	109,218,730	135,914,902	156,473,498	179,796,244	193,267,545	204,352,915

12.2 Balance Sheet

Calculations											SMEDA
Balance Sheet											
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Assets											
Current assets											
Cash & Bank	23,126,715	931,611	41,035,997	91,827,355	163,565,949	255,501,035	447,075,569	663,234,721	919,808,552	1,190,603,428	1,871,187,718
Accounts receivable		105,857,753.42	113,708,870	130,162,694	148,181,624	167,894,240	189,438,917	212,964,535	238,631,247	259,581,244	275,156,119
Equipment spare part inventory	3,000,000	3,150,000	3,307,500	3,472,875	3,646,519	3,828,845	4,020,287	4,221,301	4,432,366	4,653,985	-
Raw material inventory	60,336,000	75,495,420	93,904,688	116,207,051	143,167,087	175,692,860	214,862,032	261,952,628	302,555,285	349,451,354	-
Pre-paid insurance	1,829,272	1,643,241	1,457,209	1,271,177	1,085,146	949,111	759,289	569,466	379,644	189,822	-
Total Current Assets	88,291,988	187,078,025	253,414,263	342,941,152	459,646,325	603,866,090	856,156,094	1,142,942,651	1,465,807,095	1,804,479,833	2,146,343,837
Fixed assets											
Land	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Building/Infrastructure	57,337,088	54,470,233	51,603,379	48,736,524	45,869,670	43,002,816	40,135,961	37,269,107	34,402,253	31,535,398	28,668,544
Machinery & equipment	326,950,580	321,350,499	285,644,888	249,939,277	214,233,666	178,528,055	142,822,444	107,116,833	71,411,222	35,705,611	-
Furniture & fixtures	1,461,250	1,315,125	1,169,000	1,022,875	876,750	730,625	584,500	438,375	292,250	146,125	-
Office vehicles	1,034,800	827,840	620,880	413,920	206,960	1,666,556	1,333,245	999,933	666,622	333,311	-
Office equipment	1,507,500	1,005,000	502,500	1,745,120	1,163,413	581,707	2,020,194	1,346,796	673,398	2,338,627	1,559,085
Total Fixed Assets	403,291,218	393,968,697	354,540,646	316,857,716	277,350,459	239,509,758	201,896,344	162,171,044	122,445,745	85,059,073	45,227,629
Intangible assets											
Pre-operation costs	23,990,000	19,192,000	14,394,000	9,596,000	4,798,000	-	-	-	-	-	-
Legal, licensing, & training costs	-	-	-	-	-	-	-	-	-	-	-
Total Intangible Assets	23,990,000	19,192,000	14,394,000	9,596,000	4,798,000	-	-	-	-	-	-
TOTAL ASSETS	515,573,205	600,238,722	622,348,910	669,394,868	741,794,784	843,375,848	1,058,052,438	1,305,113,696	1,588,252,840	1,889,538,906	2,191,571,465
Liabilities & Shareholders' Equity											
Current liabilities											
Accounts payable		29,847,228	34,333,832	39,301,223	44,805,324	50,909,810	57,687,321	65,220,892	72,951,200	78,103,352	66,947,582
Total Current Liabilities	-	29,847,228	34,333,832	39,301,223	44,805,324	50,909,810	57,687,321	65,220,892	72,951,200	78,103,352	66,947,582
Other liabilities											
Deferred tax		24,373,756	47,215,772	80,830,669	125,625,984	183,235,299	255,219,476	338,273,666	433,886,257	536,752,627	645,588,041
Total Long Term Liabilities	257,786,603	265,109,342	238,082,038	215,502,937	196,977,450	183,235,299	255,219,476	338,273,666	433,886,257	536,752,627	645,588,041
Shareholders' equity											
Paid-up capital	257,786,603	257,786,603	257,786,603	257,786,603	257,786,603	257,786,603	257,786,603	257,786,603	257,786,603	257,786,603	257,786,603
Retained earnings		47,495,549	92,146,437	156,804,105	242,225,407	351,444,137	487,359,038	643,832,536	823,628,780	1,016,896,324	1,221,249,239
Total Equity	257,786,603	305,282,152	349,933,040	414,590,708	500,012,010	609,230,739	745,145,641	901,619,138	1,081,415,382	1,274,682,927	1,479,035,842
TOTAL CAPITAL AND LIABILITIES	515,573,205	600,238,722	622,348,910	669,394,868	741,794,784	843,375,848	1,058,052,438	1,305,113,696	1,588,252,840	1,889,538,906	2,191,571,465

12.3 Cash Flow Statement

Calculations	SMEDA										
Cash Flow Statement											
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<i>Operating activities</i>											
Net profit		47,495,549	44,650,888	64,657,668	85,421,302	109,218,730	135,914,902	156,473,498	179,796,244	193,267,545	204,352,915
Add: depreciation expense		36,417,497	39,428,050	39,428,050	39,507,257	39,507,257	39,633,608	39,725,300	39,725,300	39,725,300	39,831,444
amortization of pre-operating costs		4,798,000	4,798,000	4,798,000	4,798,000	4,798,000	-	-	-	-	-
amortization of training costs		-	-	-	-	-	-	-	-	-	-
Deferred income tax		24,373,756	22,842,015	33,614,897	44,795,315	57,609,315	71,984,177	83,054,190	95,612,592	102,866,369	108,835,415
Accounts receivable		(105,857,753)	(7,851,117)	(16,453,823)	(18,018,930)	(19,712,616)	(21,544,676)	(23,525,618)	(25,666,712)	(20,949,997)	(15,574,875)
Equipment inventory	(3,000,000)	(150,000)	(157,500)	(165,375)	(173,644)	(182,326)	(191,442)	(201,014)	(211,065)	(221,618)	4,653,985
Raw material inventory	(60,336,000)	(15,159,420)	(18,409,268)	(22,302,363)	(26,960,036)	(32,525,773)	(39,169,173)	(47,090,595)	(40,602,657)	(46,896,069)	349,451,354
Advance insurance premium	(1,829,272)	186,032	186,032	186,032	186,032	136,035	189,822	189,822	189,822	189,822	189,822
Accounts payable		29,847,228	4,486,604	4,967,390	5,504,102	6,104,486	6,777,511	7,533,570	7,730,309	5,152,152	(11,155,770)
Cash provided by operations	(65,165,272)	21,950,890	89,973,705	108,730,476	135,059,397	164,953,107	193,594,728	216,159,152	256,573,831	273,133,504	680,584,290
<i>Financing activities</i>											
Issuance of shares	257,786,603	-	-	-	-	-	-	-	-	-	-
Purchase of (treasury) shares											
Cash provided by / (used for) financing activities	515,573,205	(44,145,994)	(49,869,319)	(56,193,997)	(63,320,803)	(71,351,466)	-	-	-	-	-
<i>Investing activities</i>											
Capital expenditure	(427,281,218)	-	-	(1,745,120)	-	(1,666,556)	(2,020,194)	-	-	(2,338,627)	-
Acquisitions											
Cash (used for) / provided by investing activities	(427,281,218)	-	-	(1,745,120)	-	(1,666,556)	(2,020,194)	-	-	(2,338,627)	-
NET CASH	23,126,715	(22,195,104)	40,104,385	50,791,358	71,738,594	91,935,086	191,574,534	216,159,152	256,573,831	270,794,877	680,584,290

13 KEY ASSUMPTION

13.1 Operating Cost Assumptions

Description	Detail
Input Capacity Tons / hour	10
Working hours per day	16
Days operational per year	150

13.2 Production Cost Assumptions

Description	Detail (Rs. / Ton)		
	Tomato	Guava	Mango
Purchase Price	15,000	20,000	40,000
Cost of Aseptic Bag	7,000	7,000	7,000
Chemical + Polythene Bag	1,500	1,500	1,500
Cost of Metal Drum	17,500	17,500	17,500
Cost of Ripening and Unloading of Fruit	500	500	500

13.3 Revenue Assumptions

Description	Products		
	Tomato	Guava	Mango
Starting capacity utilization	60%	60%	60%
Total Input Capacity	6,400	8,000	9,600
Yield	20%	70%	70%
Total Output Capacity	1,280	5,600	6,720
Processing/ pulping per annum in year 1	768	3,360	4,032

13.4 Financial Assumptions

Description	Detail
Debt : Equity	50% : 50%
Debt Tenure	5 Years
Interest rate	12%
Debt Payments per year	12