

PAKISTAN TOBACCO BOARD
3RD TIME AUCTION NOTICE

Pakistan Tobacco Board intends to auction the tobacco cess collection rights in districts of Charsadda, Mardan, Swabi, Nowshera, Mansehra, Buner and Malakand Division, Khyber Pakhtunkhwa through open auction on June 17, 2020 at 11:00 am at PTB, Head Office, Peshawar. Interested contractors who have experience in cess or revenue collection and have valid NTN numbers are invited to participate in the open auction. The terms and conditions of auction are as under:

- i) The contract shall be awarded for 12-months with effect from 1st July 2020 upto 30th June, 2021.
- ii) Every bidder shall deposit Rupees Two millions (Rs.2,000,000) in the form of earnest money/security in favour of Pakistan Tobacco Board, alongwith NTN certificate before 10:30 A.M. on June 17, 2020 or earlier during office hours which shall be returned to the bidders at the close of auction proceedings except 1st and 2nd highest bidders, till finalization of auction. No call deposit shall be accepted after 10:30 A.M. on June 17, 2020.
- iii) The auction proceedings will start at 11:00 A.M. on June 17, 2020. All contractors are requested to complete their registration process with concerned committee in the committee room before 11:00 A.M. positively.
- iv) Successful bidder shall execute an agreement with PTB mentioning therein all terms and conditions announced before holding of auction including performance assurance.
- v) Successful bidder shall have to deposit 15% of his offer at the end of the auction on the same day and balance amount shall be paid in three equal installments on 1st September, 2020, 1st November, 2020 and 1st January, 2021.
- vi) Furthermore, the cess contractor shall furnish three (03) postdated-cheques equal to the contractual amount payable on date of realization of installments as per schedule of payment of installments given above in order to avoid any delay in payment of installments.
- vii) In case of failure on part of the successful bidder to deposit 15% of the auction amount on the same day his call deposit shall be forfeited and the offer shall be made to the 2nd highest bidder, who shall also have to deposit 15% of the auction amount on the same day failing which his call deposit shall also be forfeited.
- viii) In case of failure of the Contractor to deposit an installment on due date, the Chairman, PTB with the approval of Board of Directors reserves the right to cancel the contract, with immediate effect or impose penalty equivalent to 10% of the contractual amount or outstanding amount, as he may deem appropriate and recover the amount from the performance guarantee.
- ix) Successful bidder/contractor will collect tobacco cess at his own expenses and under his own arrangements according to the following schedule:

S.No	Type of Tobacco	New enhanced rates	Remarks
1.	Flue Cured Virginia (FCV)	Rs.4.64 per kg	i.Cess on original/indicated requirements of cigarette manufacturing companies, duly advertised, shall not be charged by the Cess Collection Contractor. ii.In light of Supreme Court of Pakistan judgment dated 23-05-2015, Cess shall not be levied on stem, khaka, kara and rorh.
2.	Burley	Rs.3.67 per kg	-do-
3.	Rustica (W.P)	Rs.2.21 per kg	-do-
4.	Naswar/Snuff	Rs.2.21 per kg	-do-

- x) The original requirements of cigarette manufacturing companies already notified, tobacco export quota for the year 2020, and valid old stocks of the cigarette manufacturing companies duly verified by PTB, shall be exempted from levy of cess. Details can be provided by PTB on request.
- xi) The successful bidder shall provide Performance Guarantee in favour of PTB within 15 days of signing of the cess collection agreement which shall be encashable by the PTB in case of violation of any clause of the agreement on the part of the Contractor. The call deposit/earnest money of the successful bidder shall be returned on furnishing of the Performance Guarantee to PTB.
- xii) Income Tax @ 10% of the advance payment on the day of auction and along with three installments of contractual amount shall also be paid by the contractor. The contractor shall furnish three Post Dated Cheques of Income Tax amount due, on signing of contract.
- xiii) That in case the Contractor fails to collect the cess due to any reason within the stipulated period the Board shall not be liable to issue any exceptions or make repayments instead the entire responsibility shall rest with the Contractor alone. He shall have no claim whatsoever for any compensation for loss, from the Board. Such failure on the part of the Contractor shall not constitute a reason for non-payment of contractual amount as per schedule to the Board.
- xiv) If the Contractor commits or indulges in any act or creates a situation himself or through his representatives against the interest of the Board, growers, dealers or industry during cess collection, the Chairman, PTB shall have the power to cancel the contract which shall not be challenged in any Court.
- xv) The auction shall be free and open and will be conducted by the Auction Committee duly constituted and notified for the purpose.
- xvi) The Chairman, PTB reserves the right to reject all bids and annul the auction process at any stage and call bids afresh prior to approval of the offered bids.
- xvii) Detailed terms and conditions available on PTB website www.ptb.gov.pk, will also be announced at the time of the auction.
- xviii) In addition to collecting cess on tobacco, the contractor will also be responsible for collecting advance tax from tobacco purchasers in pursuance of section 236X of the income Tax Ordinance, 2001 of Pakistan.
- xix) The contractor shall also be responsible for fulfillment of such other activities related to tobacco as directed by the Federal Government from time to time.
- xx) Due to COVID-19 pandemic, all interested contractors are advised not to bring extra persons with them. Only contractor or his representative will be allowed to sit in the bid, to avoid unnecessary assembly of people.

(M. ZUBAIR KHAN)
 Deputy Secretary (Admn)
 Pakistan Tobacco Board,
 46-B Office Enclave, Phase-V,
 Hayatabad, Peshawar.
 Ph: 9217154-55-56, Fax: 9217149