



No. PPRA/AP-11/2025
Government of Pakistan
Public Procurement Regulatory Authority
(Appeal & Review Petition Secretariat)
1st Floor, FBC Building, G-5/2, Islamabad

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ORDER

Aftab Aziz Bachani

...the "Appellant"

Vs.

Ministry of Pakistan Railways & another

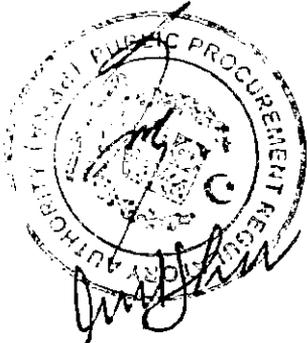
...the "Respondent(s)"

Dates of Hearings	Mr. Muhammad Shaheer (Advocate), Mr. Aftab A. Bachani, Mr. Babur Sohail
09.07.2025	
30.06.2025	<i>(On behalf of Appellant)</i>
	Mr. Muhammad Abdul Rafeh (Advocate), Mr. Jawad Khan (Manager Estate North), Mr. Arshad Mehmood Abbasi (Manager Legal), Syed Saifullah
	<i>(On behalf of Respondent No.2)</i>

APPEAL UNDER RULE 48(7) OF THE PUBLIC PROCUREMENT RULES, 2004

The above mentioned learned Counsel(s) and representative(s) of the parties tendered appearance before the Appellate Committee and furnished their arguments at length.

2. At the very outset, the learned counsel of the appellant i.e., Aftab Aziz Bachani submitted that the Respondent No.2 i.e., Railway Estate Development & Marketing Company (Pvt.) Ltd. (REDMACO) published a tender on 05.09.2024, for the lease of six plots for petrol pump installation, followed by a corrigendum on 24.09.2024. The Appellant submitted a bid for 11,000 Sq. Ft. plot near NIPA Flyover Bridge, Karachi, with a bid security of PKR 5 million.

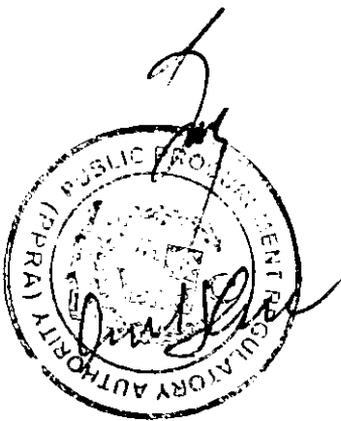


3. The counsel of the appellant also submitted that the tender opening was scheduled for 25.09.2024, and the appellant was declared the highest successful bidder for the lease of the said plot. Despite this, the appellant's status as the highest bidder, Respondent No.2, through a letter dated 06.02.2025, rejected the bid of the appellant without providing any valid justification.

4. The counsel of the appellant further submitted that, being aggrieved by and dissatisfied with the decision of Respondent No.2, the Appellant submitted a Grievance complaint to the GRC on 10.02.2025, which was heard on 25.02.2025.

5. The counsel of the appellant further added that the GRC of the respondent department found the rejection of the appellant's bid as without merit and directed the Respondent No.2 to reconsider its decision and accept the Appellant's highest bid. Despite this ruling / decision, Respondent No.2, through a letter dated 13.03.2025, refused to implement the GRC decision, causing undue hardship to the Appellant, hence, filed the instant Appeal.

6. On the other hand, learned counsel of the respondent no.02 submitted that Railway Estate Development and Marketing Company (Pvt.) Ltd. (REDAMCO) is a State-Owned Enterprise (SOE) under SOE (Operation and Governance) Act, 2023, fully owned by Ministry of Railways, having the mandate of leasing, licensing and concessioning of Pakistan Railways available land bank under Railway Land and Property Rules, 2023. Moreover, the rejection of the bid(s) is the prerogative of the respondent / procurement agency, as the Board was not satisfied by the credentials and capabilities of the appellant.



7. The counsel of the respondent no. 02 also submitted that after the completion of bidding process, the matter was referred to the Board of Directors of REDAMCO, being Competent Authority, in its 44th BoD meeting dated 20.01.2025, wherein, the matter was referred to Business Development Committee (B&D Committee) of the Board. The B&D Committee referred the matter to the Board with the recommendations for approval. It is further submitted that the matter was further referred to the Board in its 45th Meeting dated 04.02.2025.

8. The counsel of the respondent no.02 further submitted that, after deliberation on the said matter in 45th Board meeting, the appellant bid was rejected, as the Board was not satisfied by the credentials and capabilities of the appellant and that they failed to provide affiliation details with their partner and lack of proper KYC (Know Your Customer) and due diligence. It is further pointed out that the Board is fully empowered under its statutory Rules, 2023 and also in terms of the corporate authority, to reject any bid if not satisfied.

9. The counsel of the respondent no.02 also submitted that the recommendations of the Grievance Redressal Committee (GRC) was referred to BoD in its 47th meeting dated 12.03.2025 and decided by the majority members, rejected the GRC's recommendations and upheld its original decision of the respondent no.02. It is further mentioned that the instant matter is not a public official procurement rather it is governed through a special law, wherein, the Board is additionally empowered by the rules approved by the Cabinet as well as to decide the fate of the procurement, hence requested for dismissal of the instant appeal.

10. After perusal of all relevant record and arguments made by both the parties, the Appellate Committee observed



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that, as per the bidding documents, interested bidders were eligible to participate either as individuals or sole proprietors. Accordingly, the Appellant submitted a bid for the lease of an 11,000 Sq. Ft. plot near NIPA Flyover Bridge, Karachi, in his individual capacity, accompanied by the requisite bid security of PKR 5 million. After the bid opening, the Appellant was declared the highest bidder for the said plot. Nevertheless, the Respondent No. 2 rejected the Appellant's bid via letter dated 06.02.2025, without providing any cogent reason and lawful justification.

11. It is further observed that the Appellant, being dissatisfied with the said rejection, lodged a grievance before the Grievance Redressal Committee (GRC) on 10.02.2025, which was duly heard on 25.02.2025. The GRC, after considering the matter, found the rejection of the Appellant's bid to be without merit and accordingly directed the Respondent No.2 to reconsider its decision and accept the Appellant's bid. Despite the binding nature of this recommendation, Respondent No. 2 refused to comply, citing that the Board of Directors (BoD) of the respondent (REDEMCO) had rejected the bid on account of the Appellant's alleged failure to provide affiliation details and to fulfill Know Your Customer (KYC) and due diligence requirements.

12. Further, the Committee noticed that, under Rule 30(1) of the Public Procurement Rules, 2004, all bids are to be evaluated strictly in accordance with the criteria set forth in the bidding documents. However, in the instant case, the Appellant had submitted the bid as a sole proprietor, a category explicitly permitted under the tender conditions. Therefore, the reason of rejection of the bid for non-submission of partner affiliation details is against their own defined evaluation criteria laid down by the respondent. So that, the reason of rejection provided by the respondent is baseless.

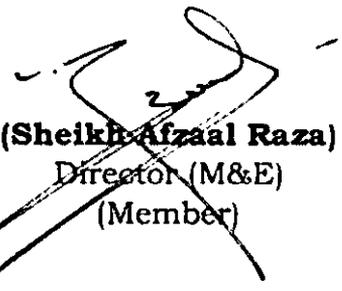


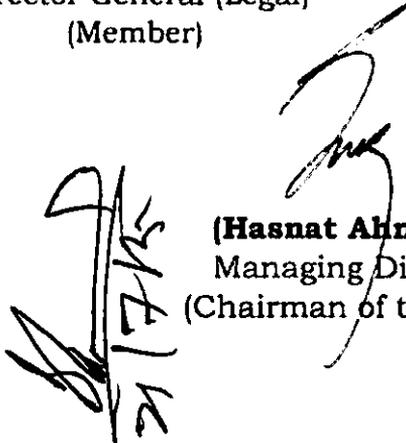


13. The Committee further observes that, under Rule 48(1) of the Public Procurement Rules, 2004, a procuring agency is obligated to constitute an independent Grievance Redressal Committee (GRC) fully empowered to decide the complaints without taking institutional or external pressure. Moreover, if any bidder aggrieved by the decision of the GRC may avail remedy through a formal appeal under Rule 48(7) of the PP Rules, 2004 and regulations made thereunder. However, in the present matter, the Respondent referred the GRC's recommendation to the Board of Directors of the respondent for final determination / recommendation, which undermines the GRC's independence and violates the spirit and mandate of the said rule.

14. The Committee upheld the decision of GRC hence, the instant Appeal is allowed to the extent of GRCs' decision.


(Dr. Muhammad Aslam Waseem)
Director General (Legal)
(Member)


(Sheikh Afzaal Raza)
Director (M&E)
(Member)


(Hasnat Ahmed Qureshi)
Managing Director (PPRA)
(Chairman of the Committee)

Each page of the order has been signed by all members of the Appellate Committee. The order comprises of five (05) pages.

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