



No. PPRA/RP-09/2025
Government of Pakistan
Public Procurement Regulatory Authority
(Appeal & Review Petition Secretariat)
1st Floor, FBC Building, G-5/2, Islamabad
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ORDER

M/s Unique Business Systems

...the "Petitioner"

Vs.

Pakistan Ordnance Factories

...the "Respondent"

Date of Hearing	<i>Mr. Aqeel Afsar Malik (CEO)</i>
20.10.2025	(On behalf of Petitioner)
	<i>Mr. Nabeel Bukhari (Advocate), Mr. Nazir Ahmed</i>
	(On behalf of Respondent)

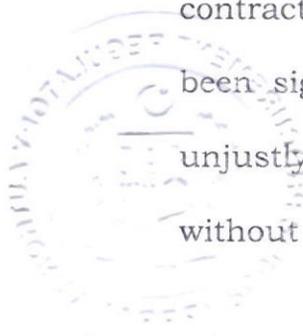
REVIEW PETITION UNDER RULE 19(3) OF THE PUBLIC PROCUREMENT RULES, 2004

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

2. At the very outset, learned representative of the petitioner i.e., M/s Unique Business Systems submitted that, being aggrieved and dissatisfied by the impugned letter dated

29.07.2025, displayed by the respondents on the PPRA website on 08.08.2025, invoked the jurisdiction of this Authority under Rule 19(3) of the Public Procurement Rules, 2004 ("PP Rules, 2004"), read with the Regulations for the Procedure of Filing and Disposal of Review Petitions, 2021, and the Mechanism for Blacklisting and Debarment of Bidders or Contractors Regulations, 2024, along with all other enabling laws. The petitioner sought review of the said letter, which unlawfully blacklisted the petitioner for a period of six months, thereby debaring it from participating in tenders with Pakistan Ordnance Factories (POF / the respondent) and other government or semi-government departments.

3. The representative of the petitioner also submitted that they participated in the tender process bearing T.E No. 0024-LP-SCM-IT-CAPT-PUR-A, dated 05.09.2022, pertaining to the procurement of Printronix P8000 Plus Line Matrix Printer, 2000 LPM Cabinet (Qty: 02 Nos.). Following the evaluation, Contract No. 0017-LP-A-53-IT-CAPT, dated 07.09.2023, was intended to be awarded to the petitioner. However, to the petitioner's surprise, the respondents vide letter dated 07.07.2024 intimated the cancellation of the contract despite the fact that no formal agreement had ever been signed between the parties. Subsequently, and most unjustly, the respondents proceeded to blacklist the petitioner without any lawful justification or observance of due process.

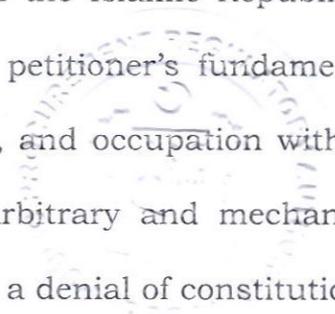


4. The representative of the petitioner also submitted that the impugned action of the respondent is *void ab initio* as no show-cause notice or opportunity of personal hearing was ever provided prior to issuance of the impugned letter dated 29.07.2025, displayed on 08.08.2025. This constituted a clear violation of the principles of natural justice and the procedural requirements mandated under the PP Rules, 2004 and the relevant Regulations. Reliance is placed on *2021 CLC 337 (IHC)*, wherein it was held that blacklisting entails civil consequences and can only be imposed after due notice and opportunity of hearing. Likewise, in *PLD 2016 Karachi 398*, it was categorically observed that a contractor or supplier must be given adequate opportunity to defend before being blacklisted.

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5. The representative of the petitioner further submitted that the punishment imposed is grossly disproportionate to the alleged violation, being the most severe penalty under procurement laws. Reference is made to *PLD 2016 Karachi 298*, which emphasized that proportionality and fairness must be observed when imposing punitive actions. Moreover, the impugned decision also offends Articles 10-A and 18 of the Constitution of the Islamic Republic of Pakistan, 1973, as it curtails the petitioner's fundamental right to freedom of trade, business, and occupation without due process or a fair trial. The arbitrary and mechanical exercise of such powers amounts to a denial of constitutional



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guarantees and undermines the petitioner's ability to earn a lawful livelihood.

6. The representative of the petitioner further added and submitted that the impugned letter dated 29.07.2025 and its display on the PPRA website are illegal, arbitrary, and unconstitutional, having been issued in violation of the principles of natural justice, statutory provisions, and fundamental rights. The petitioner, therefore, prayed that this Committee may graciously review and set aside the impugned letter and its placement on the PPRA website, restoring the petitioner's right to participate in future tenders, and grant any other relief deemed just and proper in the circumstances.

7. On the other side, learned counsel of the respondent i.e., Pakistan Ordnance Factories raised preliminary objections regarding the maintainability of the instant review petition and submitted that the present Review Petition is not maintainable in law. In terms of Article 174 of the Constitution of the Islamic Republic of Pakistan, 1973, any petition against the Federation must be instituted in the name of "Pakistan." The Pakistan Ordnance Factories Board (POF Board) constituted under the Pakistan Ordnance Factories Board Ordinance, 1961, is not a statutory body capable of being sued independently. Hence, the present Petition suffers from non-joinder of a necessary party and is liable to be dismissed on this ground alone. Furthermore, under Article 173(3) of the

Constitution, all contracts made in exercise of the executive authority of the Federation are to be expressed in the name of the President; therefore, the Federation of Pakistan is a necessary party to these proceedings.

8. The counsel of the respondent also submitted that the Petition has not been filed in accordance with the "Regulations for Procedure of Filing and Disposal of Review Petitions under Rule 19(3), 2021." The Petition is defective as it lacks proof of payment of the prescribed fee in the manner required under Schedule-II read with Rule 5, which mandates that payment shall be made through a Pay Order or Bank Draft. The Petitioner has instead attached a cheque, which is not acceptable under the Regulations. Moreover, the verification attached with the Petition does not conform to the format prescribed in Schedule-I of the said Regulations. Hence, the Petition is liable to be dismissed on grounds of procedural non-compliance.

9. The counsel of the respondent further submitted that, without prejudice to the foregoing objections, it is submitted that the impugned letter dated 29.07.2025 was lawfully issued after completion of all codal formalities and approval from the competent authority. The Petitioner's claim that no valid contract existed is false and contrary to record. A concluded and enforceable contract was formed under the Contract Act, 1872, following the issuance of the Letter of

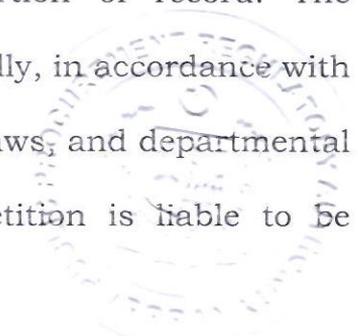
Intent (LoI) dated 18.08.2023, its express acceptance by the Petitioner vide letter dated 04.09.2023, and submission of Performance Bond through CDR No.66669332 dated 04.09.2023 amounting to Rs.159,068/-. The formal Contract No. 0017-LP-A-53-IT-Capt was subsequently issued on 07.09.2023 after due financial concurrence and approval. The Petitioner's own correspondence dated 28.12.2023 seeking extension of delivery period until 31.03.2024 further confirms its acknowledgment of the contract and its binding obligations.

10. The representative of the respondent also submitted that the Petitioner was given repeated opportunities to perform its contractual obligations but continuously defaulted despite numerous reminders issued on 20.09.2023, 10.11.2023, 22.11.2023, 08.12.2023, 18.12.2023, 10.02.2024, and 19.02.2024 (final notice), followed by further reminders in March, April, May, and June 2024. In a meeting held on 29.04.2024 at the office of GM (Purchase-I), the Petitioner again assured delivery in May 2024 but failed to fulfil this commitment. Consequently, the cancellation of the contract and imposition of a six-month blacklisting were the natural and lawful consequences of continued non-performance. The action was neither arbitrary nor disproportionate but strictly in accordance with Rule 19 of the Public Procurement Rules, 2004 and the governing contractual terms



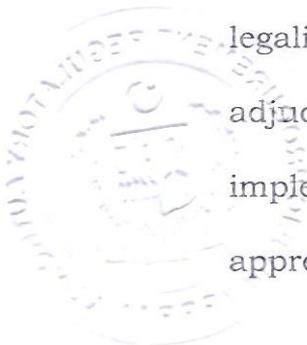
11. The counsel of the respondent further added and submitted that all principles of natural justice were duly observed. The Petitioner was served with repeated notices, called for meetings, and given full opportunity to explain its position. The decision to blacklist was made after obtaining legal opinion from GM-Legal, financial concurrence from FA&OF, and approval by the Competent Authority, i.e., the Chairman POF Board. The allegation of violation of Articles 10-A and 18 of the Constitution is misconceived and untenable, as the temporary restriction imposed is a lawful regulatory measure arising out of the Petitioner's own default, not a punitive or arbitrary action. The Respondent has always acted transparently and in good faith, and all dealings with suppliers, including the Petitioner, have been conducted with procedural fairness and administrative propriety.

12. Lastly, the representative of the respondent also submitted that the Petitioner has approached this Authority / Committee with unclean hands by concealing material facts, including its own letters dated 04.09.2023 and 28.12.2023, as well as its participation in the meeting held on 29.04.2024. The Petition suffers from misrepresentation, suppression of material facts, and deliberate distortion of record. The impugned order has been passed lawfully, in accordance with the contract, applicable procurement laws, and departmental procedures. Therefore, the Review Petition is liable to be dismissed being devoid of merit. *aj*



13. After perusal of all available record and arguments advanced by both the parties, the Review Petition Committee (“the Committee”) observed that the core issue in the instant review petition is that whether a binding contract existed between the parties prior to the cancellation and blacklisting and whether the blacklisting order dated 29.07.2025 was issued in accordance with Rule 19 of the PP Rules, 2004 and the Mechanism for Blacklisting and Debarment Regulations, 2024. Before entering into merits of the case, the Committee firstly gave observations on the maintainability of the instant petition.

14. With regard to the respondent’s objection premised on Article 174 of the Constitution of the Islamic Republic of Pakistan, 1973, to the effect that the petition ought to have been instituted in the name of “Pakistan” instead of “POF Board”. Upon this, the Committee observed that the proceedings before this Committee are not strictly judicial in nature within the contemplation of Article 199 of the Constitution, but are quasi-judicial in character under Rule 19(3) of the Public Procurement Rules, 2004. The mandate of this Committee is confined to reviewing the propriety and legality of procurement or blacklisting decisions, rather than adjudicating upon civil or constitutional liabilities. Hence, impleading the POF Board, being the procuring agency, is appropriate and sufficient for the purposes of these



proceedings. Furthermore, it stands established that the petitioner duly deposited the prescribed review fee through a valid pay order. Further, regarding the respondent's objection concerning the mode of payment or verification format, the Committee is of the considered view that while adherence to procedural formalities is desirable, minor irregularities that neither prejudice the opposing party nor affect the substantive merits of the case cannot vitiate the proceedings. Accordingly, the petition is held to be maintainable.

15. The Committee also observed that the original bid validity period in the subject procurement was ninety (90) days, which was due to expire on 17.01.2023. As per Rule 26(3) of the Public Procurement Rules, 2004, the procuring agency is ordinarily obligated to process and evaluate bids within the original bid validity period. However, in exceptional circumstances and for reasons to be recorded in writing, the procuring agency may seek an extension from all participating bidders, provided that such extension does not exceed the duration of the original bid validity period. Therefore, in light of the said provision, the procuring agency was under a statutory obligation to finalize the procurement process within the prescribed or lawfully extended bid validity period. In the instant case, the respondent department was required to conclude the procurement process by 17.04.2025; however, it sought extensions of bid validity from the petitioner multiple times, thereby exceeding the permissible limit under the

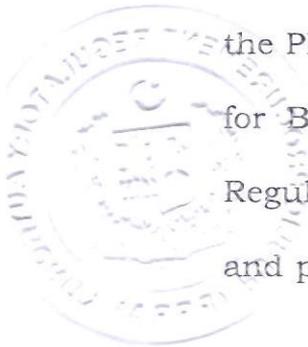
aforesaid Rule. Such conduct constitutes a clear deviation and violation of the mandatory provisions of the Public Procurement Rules, 2004.

16. The Committee further observed that the respondent issued its first letter dated 20.09.2023 to the petitioner for execution of the contract, followed by subsequent reminders. In this regard, the respondent was legally bound to finalize and execute the contract within the extended bid validity period, i.e., up to 17.04.2025. Any actions taken thereafter, including the issuance of the said letter, forfeiture of bid security, or initiation of blacklisting proceedings, were without lawful authority and contrary to the spirit and intent of the PP Rules, 2004. Consequently, the impugned actions are devoid of legal effect and cannot be sustained in the eyes of law. The Committee also observed that it is an admitted fact that no contractual relationship between the parties were ever constituted in the instant procurement process, hence no contractual obligation could be created without signing of contract, and the bidder cannot be blacklisted on the grounds of failure to deliver goods.

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17. At the last, the Committee noted that Rule 19(1)(c) of the PP Rules, 2004 read with Regulation 7 of the Mechanism for Blacklisting and Debarment of Bidders or Contractors Regulations, 2024 mandates issuance of a show-cause notice and provision of a reasonable opportunity of hearing prior to



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blacklisting. The record furnished by the respondent reveals several reminders and a final notice for delivery default but does not clearly demonstrate issuance of a formal show-cause notice specifically proposing blacklisting or any hearing minutes evidencing the petitioner's representation before imposition of penalty.

18. For what the reasons and observations mentioned above, the review petition in hand is hereby **allowed** and the **order of blacklisting dated 29.07.2025 passed by the respondent is hereby set-aside** and the instant petition is disposed of accordingly.


(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)

Note: A copy of this order is being forwarded to Director-IT, PPRA, Islamabad) for implementation of this order and to **de-list the petitioner's company i.e., M/s Unique Business Systems** from the list of active blacklisted / debarred firms on PPRA's website.

Each page of the order has been signed by all members of the Review Petition Committee. The order comprises of eleven (11) pages.



