



No. PPRA/AP-37/2025
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 Microtech Industries (Private) Limited

...the "Appellant"

Vs.

Lahore Electric Supply Company (LESCO)

...the "Respondent"

Dates of Hearing 19.11.2025 13.11.2025	Mr. Tahir Maqsood Butt (ASC), Rana Tariq (COO), Mr. Ghulam Rasool (Advocate), Mr. Qasim Masood (CIA) <p style="text-align: right;">(On behalf of Appellant)</p> Barrister Qasim Duggal (Advocate), Mr. Adeel Bhatti (Advocate), Mr. Abid Hamayun (Add. Manager Proc. LESCO), <p style="text-align: right;">(On behalf of Respondent No.1)</p> Barrister Syed Ali Nouman (ASC), Mr. Arsalan Qaiser (Advocate) <p style="text-align: right;">(On behalf of Respondent No.2)</p>
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APPEAL UNDER RULE 48(7) OF THE PUBLIC PROCUREMENT RULES, 2004
[SINGLE PHASE AMI SMART METERS "LOT-2"]

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 outset, learned counsel of the appellant i.e., M/s Microtech Industries (Private) Limited submitted that the

present Appeal is preferred under Rule 48 of the Public Procurement Rules, 2004, being an aggrieved bidder, assailing the non-speaking, arbitrary, and patently illegal decision dated 25.09.2025 ("the Impugned Decision") issued by the Grievance Redressal Committee (GRC) of Lahore Electric Supply Company (LESCO). The Impugned Decision, rendered without any reasoning or application of mind, is void ab initio for being contrary to the mandatory requirements of the Public Procurement Rules, 2004 (PP Rules, 2004) thereby constituting a mis-procurement under Rule 51. The decision unlawfully upholds a flawed, biased, and procedurally defective evaluation process, resulting in the illegal award of a multi-billion-rupee contract to an ineligible and non-responsive bidder, M/s. AM Associates Pvt. Ltd. ("AMA"), thereby also raising grave concerns under the Competition Act, 2010.

3. The counsel of the appellant also submitted that the respondent (LESCO) floated Tender No. 4212 for procurement of 345,000 Nos. Static 1-Phase AMI Smart Energy Meters with remote disconnect relay and PTA-compliant 4G communication module, to be supplied as per NTDC / WAPDA Specifications DDS-65:2003, DDS-98:2011, and DDS-112:2012. The tender was opened on 04.09.2025, and the Appellant, being duly pre-qualified and technically competent, submitted a fully compliant bid. However, the Evaluation Report dated 10.09.2025 declared M/s AMA as the lowest evaluated bidder for all three lots, while M/s. Vertex

Electronics (Pvt.) Ltd. ("Vertex") was also evaluated despite its admitted deficiencies in mandatory qualification requirements. The Appellant, along with other bidders, duly submitted a comprehensive Grievance Petition on 13.09.2025 highlighting manifest illegalities in evaluation, particularly the improper qualification of M/s AMA and M/s Vertex. Nevertheless, the GRC dismissed the grievances for Lots 2 and 3 through a one-paragraph, unreasoned order, while only admitting M/s AMA's non-responsiveness for Lot 1. The GRC altogether failed to address identical disqualifications of M/s Vertex Electronics, compelling the Appellant to prefer this Appeal.

4. The counsel of the appellant further submitted that the Impugned Decision is liable to be set aside for being a non-speaking order in violation of Rule 48(3) of the PP Rules, 2004, which obligates the GRC to "investigate and decide" the grievance by giving reasons based on record. The Appellant had raised nine specific grounds, including procedural irregularities, violation of mandatory qualification criteria, improper acceptance of an un-submitted bid through EPADS, and anti-competitive concerns, yet the GRC failed to provide any reasoning whatsoever. As held by the Hon'ble Supreme Court of Pakistan (1991 SCMR 2330 – Aslam Warriach), all quasi-judicial bodies must pass reasoned orders, failure to do so renders such decisions arbitrary, capricious, and void. The Impugned Decision, being cryptic and devoid of analysis, is therefore unlawful.

5. The counsel of the appellant further submitted that M/s AMA, as a new entrant, failed to meet the mandatory requirements under Section V(B), Note (xi), which expressly requires a new firm to submit a copy of an educational or regular purchase order along with completion and performance certificates, failing which the bidder must either be offered only an educational order or declared non-responsive. Clause 52.1 further required at least two satisfactory performance certificates for similar contracts. M/s AMA relied upon an educational purchase order (PO No. 587-91/MM dated 15.07.2025 issued by GEPCO to WOSCO Metering), despite the admitted fact that no supplies were made and no performance reports exist. M/s Vertex Electronics relied upon a similar unperformed educational order from TESCO dated 05.08.2025. Both bidders therefore failed the mandatory criteria and were non-responsive. The GRC's selective recognition of M/s AMA's non-responsiveness for Lot 1, while inexplicably ignoring identical deficiencies for Lots 2 and 3 and for M/s Vertex, is perverse, discriminatory, and contrary to settled law that eligibility criteria cannot be waived (Poddar Steel Corporation v. Ganesh Engineering Works, AIR 1991 SC 1579).

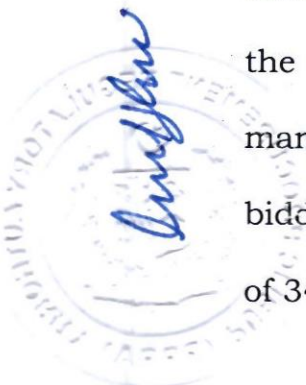
6. The counsel of the appellant also added and submitted that the purported "merger" of M/s WOSCO and M/s World Over Engineering into M/s AMA was a colourable device engineered to circumvent pre-qualification requirements, as the internal memo announcing merger dated

02.09.2025 was issued merely two days before bid opening, and the operative notification was issued on 08.09.2025 four days after the bid submission deadline. Prequalification is a non-transferable privilege vested in a specific legal entity and cannot be post-facto transferred through administrative orders. This manoeuvre not only violates settled jurisprudence (Michigan Rubber (India) Ltd. v. State of Karnataka, (2012) 8 SCC 216), but also constitutes an anti-competitive arrangement prohibited by Section 11 of the Competition Act, 2010. By facilitating and recognizing this merger without CCP approval, LESCO enabled a reduction of market competition, exposing the procurement process to regulatory consequences, including penalties and orders under Section 31 of the Competition Act. The unusual haste in completing evaluation within three working days, despite intervening holidays, and accepting M/s AMA's hard copy bid for Lot 1 in violation of mandatory EPADS upload requirements, further confirms the tainted nature of the process.

7. The counsel of the appellant further argued and submitted that NTDC / NGC technical directives dated 20.10.2015 and 10.07.2025 categorically provide that firms with only an educational order and no one-year satisfactory field performance may be awarded only another educational order of limited quantity. LESCO, however, unlawfully proceeded to award M/s AMA a bulk supply of 230,000 meters despite zero field performance, thereby compromising the

technical integrity of a critical national asset. The cumulative violations of Section V(B), Note (xi), Clause 52.1 of the bidding documents, NTDC directives, and the PP Rules, 2004, unequivocally attract Rule 51, which declares any procurement conducted contrary to the Rules or evaluation criteria as misprocurement. Therefore, the evaluation process, the Impugned Decision, and the resultant award in favour of M/s AMA and M/s Vertex are legally untenable and liable to be annulled.

8. It is important to mention here that M/s AM Associates (Pvt.) Ltd., filed / submitted an application dated 28.10.2025 through counsel in the instant appeal, under Order I, Rule 10 of CPC, 1908 for impleadment of their firm as necessary and proper party. Through the said application the counsel of the applicant submitted that their firm is a duly incorporated company under the Companies Act, 2017 and the lawful successor of M/s WOSCO Metering (Pvt.) Ltd. and M/s World Over Engineering (Pvt.) Ltd., pursuant to an amalgamation sanctioned by the SECP vide order dated 05.08.2025 and duly acknowledged by LESCO through notification dated 02.09.2025. The Chief Executive Officer, Mr. Ali Ahmed, duly authorized through a Board Resolution, to file the said application. The Applicant is a prequalified manufacturer in M-5 category with LESCO and a participating bidder in Tender No. 4212 dated 04.09.2025 for procurement of 345,000 Single Phase AMI Meters.



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9. Moreover, it is also submitted that six firms participated in the bidding process and, as per the comparative statement duly signed by the Tender Opening Committee, the Applicant emerged as the lowest evaluated responsive bidder, particularly for Lot 2 and Lot 3, strictly in conformity with the Rule 29, 30, and 36(b) of the PP Rules, 2004. The Grievance Redressal Committee (GRC), while adjudicating the grievances filed by the Appellant and other unsuccessful bidders, categorically found no illegality, irregularity, or procedural lapse in the Applicant's prequalification, eligibility, or merger, and confirmed that the evaluation of the Applicant's bid was lawful and transparent. Despite this, the Appellant has filed the instant appeal without impleading the Applicant, although the reliefs sought directly seek to disturb or nullify the award of contract made in the favour of M/s AMA.

10. Through the said application the counsel of AMA also submitted that, Order I Rule 10(2) of CPC, 1908 applicable to PPRA proceedings by virtue of their quasi-judicial nature, this Authority possesses the jurisdiction to implead any person necessary for the complete and effective adjudication of the matter. A party whose rights stand to be directly affected by the outcome is both a necessary and proper party. As the successful bidder with vested commercial rights arising from a lawful evaluation under Rule 35 of the PP Rules, 2004, the Applicant's presence is indispensable. Any adjudication in its absence would be partial, unenforceable, and contrary to well-

established jurisprudence requiring that successful bidders be made parties to proceedings likely to affect their rights.

11. The Applicant further submitted that non-impleadment violates the constitutional guarantee of fair trial under Article 10-A of the Constitution of Pakistan. The principles of natural justice, particularly the doctrine of *audi alteram partem*, mandate that no person be condemned unheard. Since the Appellant seeks to annul the contract awarded to the Applicant, failure to afford the Applicant an opportunity of hearing renders the proceedings constitutionally infirm. Moreover, impleadment is necessary to prevent multiplicity of proceedings, avoid inconsistent findings, and enable this Authority to conduct a comprehensive adjudication in the public interest. PPRA's statutory mandate under Section 5 of the PPRA Ordinance, 2002 requires the Authority to ensure transparency, fairness, and procurement integrity objectives that cannot be achieved without hearing the party whose award is under challenge. Equity, procedural fairness, and settled judicial principles all dictate that the Applicant be added as a respondent to ensure complete justice, hence this application.

12. On the date 13.11.2025, the Appellant, being an aggrieved bidder in respect of Lot-2, preferred this amended Appeal under Rule 48 of the Public Procurement Rules, 2004, pursuant to the observations made by the Appellate Committee

during the hearings dated 22.10.2025 and 27.10.2025, challenging the non-speaking, arbitrary, and patently illegal decision dated 25.09.2015 (“the Impugned Decision”) issued by the Grievance Redressal Committee (GRC) of the Lahore Electric Supply Company (LESCO), which unlawfully upheld a fatally flawed evaluation report. The Impugned Decision, being void ab initio due to multiple violations of the PP Rules and amounting to mis-procurement within the meaning of Rule 50, further raises serious concerns under the Competition Act, 2010. Accordingly, this Amended Appeal is specifically directed against the Impugned Decision and the underlying evaluation report to the extent of Lot-2, wherein the Appellant was a contesting bidder.

Appellant’s Arguments on the Application Filed by M/s AM Associates (Pvt.) Ltd. Under Order I Rule 10 CPC

13. On the other hand, learned counsel of the appellant submitted that while it does not object to the impleadment of M/s AM Associates (Pvt.) Ltd. in the present proceedings, such non-objection is strictly limited to M/s AMA being treated as a *proper party*, given that its commercial interests may be affected by the outcome of this Appeal. The Appellant acknowledges that M/s AMA was declared the lowest bidder for Lots 2 and 3, however, this acknowledgment does not amount to any admission regarding the legality, responsiveness, or validity of M/s AMA’s bid or its claimed status in the procurement process. The Appellant reserves its full and

unconditional right to contest every assertion, defense, and factual claim advanced by M/s AMA in its application or any future submissions.

14. The counsel of the appellant also submitted that M/s AMA's application contains several substantive, misleading, and factually incorrect assertions which the Appellant expressly rebuts. First, M/s AMA's claim that it is the "lawful successor by amalgamation" approved by SECP and LESCO is vehemently denied. The Appellant will demonstrate during the substantive hearing that this purported merger was employed as a colourable device to evade mandatory eligibility and prequalification requirements, that it was executed without obtaining mandatory prior approval of the Competition Commission of Pakistan under Sections 11-14 of the Competition Act, 2010, rendering it void and unenforceable, and that FBR records, as well as practices of other DISCOs, contradict M/s AMA's claim of lawful succession. Second, M/s AMA's assertion of being the "lowest evaluated responsive bidder" is the very matter under challenge, as the Appellant will establish that M/s AMA's bid was non-responsive due to failure to provide two mandatory satisfactory Performance Certificates under Clause 52.1, and its inability to demonstrate completion and performance of the New Entrant Educational Order as required under Note (xi).

15. The counsel of the appellant further submitted that, M/s AMA's assertion regarding the GRC "found no illegality" in

the procurement process is deceptive and inaccurate. The Appeal directly challenges the GRC's decision as a non-speaking, arbitrary order that failed to adjudicate upon the nine specific grievances raised by the Appellant. M/s AMA's reliance on such a flawed and procedurally defective order cannot vest it with any enforceable rights. Consequently, M/s AMA cannot assert any vested or accrued rights in a contract whose underlying evaluation stands challenged as illegal, non-transparent, and void ab initio for violations of mandatory PP Rules. Any rights claimed by M/s AMA on the basis of such an evaluation are equally tainted and unenforceable. In light of the foregoing, the Appellant prayed that while M/s AMA may be impleaded as a proper party, this Authority may: (i) direct M/s AMA to file a complete written reply to the Amended Memo of Appeal within a stipulated timeframe, (ii) and the Appellant's consent to impleadment does not validate M/s AMA's eligibility or any of its claims.

16. On the other side, learned counsel of the respondent i.e., Lahore Electric Supply Company (LESCO) submitted that the impugned decision dated 25.09.2025 was rendered strictly in accordance with the Public Procurement Rules, 2004, the applicable bidding documents, and the material placed before the Grievance Redressal Committee (GRC). The Committee carefully examined the procurement record, technical evaluations, grievances raised by various bidders, and all supporting documents before arriving at a reasoned decision.

The Appeal filed by the Appellant is misconceived, factually erroneous, and devoid of any legal basis, as the Appellant has failed to establish any violation of procurement laws, mala fide, or deviation from the prescribed procedure. Under Rules 30 to 38 of the PP Rules, 2004, the procuring agency is exclusively empowered to determine responsiveness and conduct evaluations, the GRC merely ensured that such processes were duly followed an exercise carried out with full transparency and in accordance with law.

17. The counsel of the respondent (LESCO) also submitted that the technical and financial evaluation was conducted by a duly constituted and professionally competent Evaluation Committee, which declared all participating bidders technically responsive, with M/s AM Associates emerging as the lowest evaluated responsive bidder across all lots. The grievances raised regarding the prequalification and experience of M/s AM Associates were objectively scrutinized during the GRC meeting dated 22.09.2025, wherein it was confirmed that the said firm, earlier operating as M/s WOSCO and M/s World Over Engineering, was prequalified under Category M-5 and had undergone a lawful merger approved by the SECP on 05.08.2025 prior to bid opening. In accordance with Sections 284-287 of the Companies Act, 2017, all rights, obligations, qualifications, and credentials of the amalgamated entities vested in M/s AM Associates, making it the lawful successor and fully eligible to participate in the procurement. The

Appellant's objections regarding duplication, non-qualification, or lack of experience are therefore frivolous and contrary to the legal effect of a statutory amalgamation.

18. The counsel of the respondent (LESCO) further submitted that the bidding process was conducted transparently, competitively, and in a manner that ensured equal treatment of all participating bidders. Clause 52.1 of the bidding documents, as clarified during the pre-bid meeting, permitted the submission of performance certificates for AMI as well as non-AMI meters, which M/s AM Associates duly satisfied. Allegations regarding visibility of Lot-1 on the EPADS portal were duly examined, and it was established that the bidder had successfully submitted its bid electronically and also provided hard copies and original bid securities, the non-visibility issue stemmed from a technical glitch on the portal. The GRC, therefore, rightly concluded that grievances pertaining to Lots 2 and 3 were untenable, while Lot-1 required further review solely due to the portal issue not due to any wrongdoing by LESCO or the bidder. The procurement resulted in substantial financial savings approximately Rs.1 billion when compared to similar procurements by other DISCOs further demonstrating the competitiveness and integrity of the process.

19. The counsel of the respondent (LESCO) also submitted that the Appellant's attempts to challenge the

evaluation, raise objections under the Competition Act, 2010, or rely on non-binding NTDC / NGC correspondence are wholly misplaced. This forum lacks jurisdiction over competition law matters, and in any event, the merger of M/s WOSCO and M/s World Over into M/s AM Associates constituted an internal corporate restructuring of entities already under common ownership. All bidders were evaluated uniformly, no favouritism occurred, and no material irregularity has been demonstrated. Reopening technical determinations made by qualified experts would amount to substituting the discretion of a specialized Evaluation Committee without any allegation of perversity or mala fide an approach consistently rejected by judicial and quasi-judicial forums. In light of the above, the counsel of the respondent requested that the Appeal in hand is non-maintainable, devoid of substance, and is liable to be dismissed.

20. At the last, the counsel of the Appellant reiterated that the entire procurement process undertaken by LESCO in Tender No. 4212 stands vitiated by manifold legal, procedural, and factual infirmities that cumulatively constitute a textbook case of *mis-procurement* under Rule 50 of the PP Rules, 2004. The impugned GRC decision dated 25.09.2025 is a non-speaking, arbitrary, and mechanically issued order, passed in complete disregard of the nine specific grievances raised, thereby violating Rule 48(3) and the settled principles of natural justice. Furthermore, the unlawful post-bid