



No. PPRA/AP-38/2025
Government of Pakistan
Public Procurement Regulatory Authority
(Appeal & Review Petition Secretariat)
1st Floor, FBC Building, G-5/2, Islamabad
<><><>

ORDER

M/s Pak Elektron Limited (PEL)

...the “Appellant”

Vs.

Lahore Electric Supply Company (LESCO)

...the “Respondent”

Dates of Hearing 19.11.2025 13.11.2025	Mr. Tahir Maqsood Butt (ASC), Raja Zulfiqar (Advocate), Mr. Shakeel Ahmed (Manager Marketing PEL), Mr. Ghulam Rasool (Advocate) <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>
---	--

APPEAL UNDER RULE 48(7) OF THE PUBLIC PROCUREMENT RULES, 2004
[SINGLE PHASE AMI SMART METERS “LOT-3”]

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 PAK Elektron Limited (PEL) submitted that they filed an appeal under Rule 48 of the Public Procurement Regulatory Authority Rules, 2004, being an aggrieved bidder, against the non-speaking, arbitrary, and patently illegal decision dated 25.09.2025 passed by the Grievance Redressal Committee of the Respondent, Lahore Electric Supply Company. The impugned decision is void ab initio as it failed to comply with the mandatory requirements of Rule 48(3) of the PP Rules, 2004 and Section 24-A of the General Clauses Act, 1897. The GRC neither addressed nor adjudicated upon the Appellant's specific and verifiable grievances, including the admitted non-uploading of the Lot-I bid on the mandatory e-PAD portal, the violation of binding NGC Circular dated 10.07.2025, and the unlawful acceptance of merger-based eligibility. Such omission renders the decision arbitrary, non-reasoned, and unsustainable in law.

3. The counsel of the appellant also submitted that the Respondent invited bids under Tender No. 4212 for the procurement of 345,000 Static 1-Phase AMI Smart Energy Meters as per NTDC / WAPDA specifications, which were opened on 04.09.2025. The Appellant, being a pre-qualified and experienced manufacturer, submitted a fully compliant bid. However, the initial Evaluation Report dated 10.09.2025 declared M/s AM Associates (Pvt.) Ltd. as the lowest evaluated bidder for all three lots, despite glaring violations of the bidding

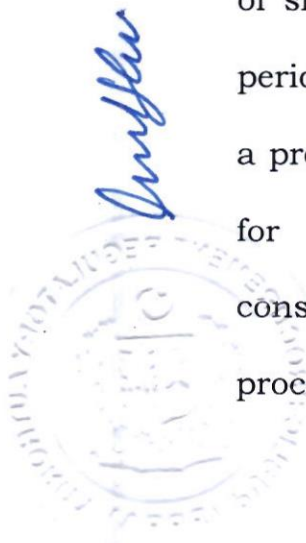
documents and PP Rules, 2004. The Appellant timely filed a detailed Grievance Petition on 13.09.2025 highlighting these illegalities, yet the GRC dismissed the grievances for Lots-II and III while conceding non-responsiveness for Lot-I, without providing any legal justification for such selective acceptance.

4. The counsel of the appellant further submitted that the Respondent unlawfully treated the amalgamation of M/s WOSCO, M/s World Over Engineering, and M/s AM Associates (AMA) as a mere change of business name, thereby permitting an impermissible transfer of prequalification. Prequalification under procurement law is a personal privilege contingent upon independent technical and financial evaluation and cannot be automatically inherited through merger. M/s AM Associates was never evaluated on its own merits in violation of Rules 16 and 19 of the PP Rules, 2004. Even otherwise, WOSCO itself lacked the mandatory three year experience stipulated under the binding NGC letter dated 10.07.2025, rendering the entire basis of eligibility legally untenable.

5. The counsel of the appellant also added that the bid of M/s AM Associates was manifestly non-responsive as it failed to comply with mandatory requirements of the bidding documents. It did not submit two satisfactory performance certificates of similar nature as required under Clause 52.1, and instead relied upon an unperformed so-called "educational order" (PO No. 587-91/MM) issued by GEPCO to WOSCO,

whose prototype remains unapproved to date. Note (xi) of the bidding documents explicitly mandates completion and satisfactory performance certification, and failure thereof renders the bid liable to outright rejection. The Respondent's attempt to cure these substantive deficiencies through letters dated 02.09.2025 and 08.09.2025, issued around the bid opening, constitutes retrospective and colourable regularization in violation of Rules 16, 19, and 23 of the PP Rules, 2004 clearly demonstrating favouritism.

6. The counsel of the appellant further argued and submitted that the award of a billion-rupee contract involving critical "cash box" assets to a firm with no prior supply history is in direct violation of binding NGC / NTDC directives dated 20.10.2015 and 10.07.2025, which restrict participation to prequalified Category M-5 firms with proven experience. The allocation of approximately 230,000 meters to an untested entity exposes the public exchequer to grave financial, operational, and systemic risks. Furthermore, the evaluation of six technically complex bids within an inexplicably short period of three working days (04–10 September 2025) indicates a predetermined outcome. The acceptance of a hard-copy bid for Lot-I, despite non-uploading on the e-PAD portal, constitutes a fundamental breach of mandatory e-procurement procedures and vitiates the entire process.



[Handwritten signature]

7. The counsel of the appellant also submitted that the Respondent failed to exercise even basic due diligence by not verifying the claims of M/s AM Associates with other DISCOs, including GEPCO and TESCO, which would have revealed that WOSCO's educational order remains unperformed and that neither entity has any credible supply record. This gross negligence, coupled with violations of Rules 16, 17, and 19 of the PP Rules and mandatory evaluation criteria under Clause 52.1 and Note (xi), squarely brings the impugned procurement within the mischief of mis-procurement under Rule 51. The cumulative effect of these violations renders the entire process void ab initio and raised serious concerns under the Competition Act, 2010, warranting intervention in the interest of justice, fair competition, and transparent public procurement.

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.

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.

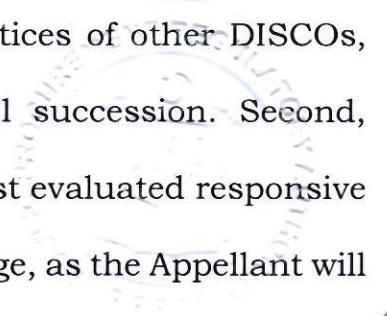
12. On the date 13.11.2025, the Appellant, being an aggrieved bidder in respect of Lot-2, preferred this amended Appeal under Rule 48 of the Public Procurement Rules, 2004, pursuant to the observations made by the Appellate Committee during the hearings dated 22.10.2025 and 27.10.2025, challenging the 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 “clarification” that converted Clause 52.1 from “AMI + Non-AMI” to “AMI or Non-AMI” amounted to an impermissible amendment of a mandatory eligibility criterion, tailor-made to accommodate Respondent No. 2 despite its lack of AMI experience. Even under this illegally relaxed standard, M/s AMA through M/s WOSCO remained non-responsive, as its past performance relates exclusively to non-AMI meters, a fundamentally different product. The Appellant has also demonstrated that M/s AMA itself, in W.P. No. 63435/2025, admitted the binding nature of NTDC / NGC directives and further acknowledged M/s WOSCO’s status as a new entrant with no satisfactory AMI performance, making M/s AMA’s qualification legally impossible.

21. The counsel of the appellant further submitted that the purported merger relied upon by LESCO and M/s AMA is nothing more than a colourable device engineered to retrospectively create eligibility. The contradictory conduct of the merging entity M/s WOSCO independently participating in the FESCO Tender of 27.08.2025, even after the alleged