



No.PPRA/RP-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

M/s Khan Enterprises

...the "Petitioner"

Vs.

HQs Logistic Area, Quetta

...the "Respondent"

Date of Hearing	<i>Mr. Majid Jahangir (Advocate)</i>
31.12.2025	<i>Maj. Waseem Akram</i>
	(On behalf of Petitioner)
	(On behalf of Respondent)

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

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

2. At the very outset, learned counsel of the petitioner i.e., M/s Khan Enterprises submitted that the present Review Petition is directed against the Impugned Letter dated 01.03.2025, whereby the Respondent i.e., HQs Logistic Area, Quetta has proceeded to blacklist the Petitioner for an excessive period of ten (10) years. It is the categorical case of the Petitioner that the impugned action has been taken in blatant violation of the mandatory requirements of law, without issuance of any Show Cause Notice, charge sheet, or affording the Petitioner an opportunity of personal hearing.



The entire exercise is, therefore, void ab initio, arbitrary, discriminatory, and violative of the settled principles of due process as well as statutory and constitutional safeguards.

3. The counsel of the petitioner also submitted that the Petitioner is a longstanding and reputable supplier, having been associated with various procuring agencies, including the Respondent, continuously since July 1999. The Petitioner's unblemished track record stands duly acknowledged through certificates issued by the Headquarter Frontier Corps, Balochistan dated 30.01.2017, as well as by the Respondent itself dated 31.01.20217, which affirm the Petitioner's reliability, integrity, and satisfactory performance over several decades. The impugned blacklisting, therefore, runs contrary to the Petitioner's established credibility and past conduct.

4. The counsel of the petitioner further submitted that, in November 2023, the Proprietor of the Petitioner firm received a telephonic call from one Mr. Nadeem, Clerk at SSD, Sibi, informing him of an alleged inquiry concerning Col. Amir Shahzad (DD, S&T), referred to as "AM." Despite repeated verbal requests made by the Petitioner, no Show Cause Notice, charge sheet, or written allegation was ever supplied, thereby depriving the Petitioner of knowledge of the precise nature of accusations, in clear violation of due process and principles of natural justice.

5. The counsel of the petitioner also added and submitted that, subsequently, another official, namely Mr. Munir, informed the Petitioner's Proprietor to appear in inquiry proceedings purportedly relating to the said AM. It is respectfully submitted that no proceedings were ever initiated against the Petitioner in accordance with Regulation 7 of the Mechanism for Blacklisting and Debarment of Bidders or Contractors Regulations, 2024. Nevertheless, the Petitioner, in



good faith and without prejudice, participated in the inquiry proceedings, answered all questions truthfully, and categorically denied any allegations of corruption, bribery, or misconduct.

6. The counsel of the petitioner also submitted that, thereafter, yet another informal inquiry was conducted by the Respondent, wherein, as per the Petitioner's information, as many as ten (10) other firms were allowed to participate and were extended the right of cross-examination. However, the Petitioner was discriminatorily denied the same opportunity, thereby violating the principle of equality before law and rendering the process manifestly unfair, biased, and vitiated by mala fide discrimination.

7. The counsel of the petitioner further submitted that, on 04.04.2025, the Petitioner was shocked to receive the Impugned Letter dated 01.03.2025, through which the Petitioner was blacklisted for a period of ten (10) years. Moreover, the counsel of the petitioner submitted that the said blacklisting has been imposed without lawful authority, without notice, without a lawful inquiry, and in gross violation of Articles 4, 10A, 23, and 24 of the Constitution of Pakistan, 1973, which guarantee due process, fair trial, and protection of lawful business and property rights.

8. At the last, the counsel of the petitioner also submitted that the impugned action is further contrary to Rule 19(1) of the Public Procurement Rules, 2004 and Regulation 7 of the 2024 Regulations, which mandatorily require initiation of formal proceedings, issuance of a charge sheet, conduct of a proper inquiry, and provision of an opportunity of hearing prior to blacklisting any bidder or contractor. In the absence of compliance with these mandatory provisions, the Impugned Letter dated 01.03.2025 and the consequential inclusion of the Petitioner's name in the list of blacklisted firms are illegal,



without jurisdiction, and liable to be declared void ab initio, thus necessitating the present Review Petition.

9. At the concluding stage of arguments, learned counsel for the Petitioner placed reliance upon the Order passed by this Authority in Review Petition No. **PPRA/RP-04/2025**, titled "**Shan Faisal & Company v. Commander Log Area, Quetta**", which was decided on an identical set of facts and legal issues. The counsel further submitted that denial of similar relief to the Petitioner would amount to discriminatory treatment and a violation of the settled principles of consistency and equality before law. Accordingly, on the touchstone of parity and uniform application of law, the Petitioner is entitled to the same relief as granted in the aforementioned decision.

10. On the other side, learned representative of the respondent i.e., HQs Logistic Area, Quetta submitted that the instant Review Petition is misconceived, factually incorrect, and legally untenable. The petitioner i.e., M/s Khan Enterprises & Co. is a duly registered ASC contractor, registered on 13.04.2012 after fulfillment of all prescribed formalities. Since registration, the firm actively participated in procurement processes and was awarded multiple group contracts during FYs 2021-22, 2022-23, and 2023-24, with an aggregate contract value of Rs. 638.837 million, all of which were completed satisfactorily. However, prior satisfactory performance does not grant immunity against penal action for subsequent misconduct, particularly where corruption and illegal gratification are established.

11. The representative of the respondent also submitted that the impugned blacklisting order dated 01.03.2025 was issued strictly in accordance with Rule 19(a) of the Public Procurement Rules, 2004 read with SRO 834(I)/2021, clause (f)(ii), which defines "corrupt practices" as offering, giving,



receiving, or soliciting anything of value to influence official acts for wrongful gain. A detailed internal inquiry was conducted at Headquarters Quetta on 26.12.2023 by a duly constituted Board of Officers. The inquiry conclusively established that the petitioner firm was involved in corrupt practices by providing illegal gratification to officials involved in the procurement process.

12. The representative of the respondent further submitted that during the inquiry, it was categorically established that the petitioner gifted an iPhone-13 Pro Max to the Deputy Director S&T, a procurement officer, who confessed to receiving the said illegal gratification. As a consequence, all three officials involved in the corrupt transaction were terminated from service. The firm's owner was called and questioned during the inquiry proceedings and was afforded ample opportunity to explain his position. The petitioner was fully aware of the allegations and the substance thereof, and therefore the plea of absence of inquiry or denial of fair trial is factually incorrect and legally unsustainable.

13. The representative of the respondent also added and submitted that the objections raised by the petitioner regarding non-issuance of show cause notice, lack of cross-examination, and alleged violation of principles of natural justice are hyper-technical and misconceived. Under PPRA laws, blacklisting is an administrative action and not a judicial or quasi-judicial proceeding; therefore, cross-examination is neither mandatory nor required. Courts have consistently held that substantial compliance with principles of natural justice is sufficient where the party has full knowledge of allegations and is afforded opportunities to explain. In the present case, the petitioner was called multiple times, granted opportunities to defend, and the inquiry findings were recorded in writing, fully satisfying the requirements of natural justice.



14. The representative of the respondent also submitted that the petitioner's assertion that corruption was not established or that no benefit accrued to the firm is legally irrelevant. Under PPRA regulations, the offence of corruption is complete upon proof of intent coupled with illegal gratification, irrespective of whether actual benefit or gain was realized. The act of bribery itself constitutes a grave violation of procurement integrity, amounting to breach of public trust, attempt to manipulate procurement processes, and violation of statutory ethical standards. Therefore, the findings of corruption are sufficient in themselves to warrant blacklisting.

15. At the end, the representative of the respondent also submitted that the penalty of blacklisting for ten (10) years is proportionate, lawful, and justified, as PPRA regulations permit blacklisting up to ten years for corruption, which represents the highest category of misconduct. The impugned order was passed by the competent authority within lawful jurisdiction, is reasoned, valid, and enforceable, and suffers from no procedural or constitutional defect. Article 18 of the Constitution permits reasonable restrictions imposed by law, and the PPRA framework expressly authorizes blacklisting in public interest. Limitation does not apply to such administrative actions, and past practices of reduction cannot be invoked in cases involving proven illegal gratification. Accordingly, the petitioner is not entitled to any relief, and the Review Petition is liable to be dismissed.

16. After perusal of all relevant record and arguments made by both the parties, the Review Petition Committee ("the Committee") observed that the impugned action of blacklisting for a period of ten (10) years is founded upon allegations of corrupt practices, specifically the provision of illegal gratification in the form of an iPhone-13 Pro Max to a procurement officer, namely the Deputy Director S&T. The Respondent has asserted that the said allegation was



established through an internal inquiry conducted by a duly constituted Board of Officers on 26.12.2023, during which the concerned official allegedly confessed to receiving the illegal gratification and was subsequently terminated from service along with other officials.

17. The Committee also observed that while the Respondent has asserted that the Petitioner's proprietor was called and questioned during inquiry proceedings, there is nothing on record to demonstrate that the Petitioner was formally informed of the precise charges, supplied with documentary material relied upon, or afforded a structured opportunity of personal hearing in accordance with the mandatory statutory framework governing blacklisting. The Committee further observed that the counsel of the Petitioner has placed reliance upon an earlier decision of this Authority in Review Petition No. PPRA/RP-04/2025 titled "*Shan Faisal & Company vs. Commander Log Area, Quetta*", which is stated to have been decided on identical facts and legal issues involving blacklisting by the same Respondent.

18. The Committee further observed that the blacklisting of an entity, in nature, carries serious civil and commercial consequences, including deprivation of the right to participate in public procurement, reputational harm, and restriction on lawful business activities. Therefore, such action must strictly conform to the mandatory requirements of due process as prescribed under Rule 19 of the Public Procurement Rules, 2004 and Regulation 7 of the Mechanism for Blacklisting and Debarment Regulations, 2024. Moreover, the Regulation 7 of the 2024 Regulations expressly requires initiation of formal proceedings through issuance of a Show Cause Notice or charge sheet, disclosure of allegations, conduct of a proper inquiry, and provision of an opportunity of hearing before passing a blacklisting order. These requirements are not merely directory but mandatory in nature.

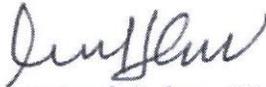


19. The Review Petition Committee also observed that although allegations of corruption are serious in nature and cannot be brushed aside, any punitive action, particularly one resulting in the blacklisting of a firm, must be undertaken in strict compliance with the established principles of natural justice and procedural propriety. In the present case, the record clearly reveals that no Show Cause Notice was issued to the petitioner prior to the passing of the impugned blacklisting order, nor was any formal inquiry conducted in accordance with a duly notified procedure ensuring independent and impartial adjudication. It is further noted that the petitioner has, to date, not challenged the said inquiry report before any competent forum of law, wherein allegations of illegal gratification were recorded against the petitioner, based on the confession of the then procurement officer, namely the Deputy Director (S&T), regarding the receipt of an iPhone-13 Pro Max.

20. In view of the foregoing, the Committee is of the view that the imposition of the maximum permissible penalty of blacklisting for a period of ten (10) years, without strict adherence to the mandatory procedural safeguards and without recording any proportionality analysis in a reasoned order, cannot be sustained under law. While the respondents have relied upon the relevant contractual provisions and applicable procurement rules to justify the impugned action, it is a settled principle that blacklisting, being a penal measure with serious civil consequences, must be preceded by the issuance of a fair notice, the conduct of a proper inquiry, and the provision of an opportunity of hearing, as prescribed by law. The record placed before the Committee does not demonstrate compliance with these essential procedural requirements. Simultaneously, the Committee has noted the confessional statement of the then officer and the inquiry report referred by the Respondent, neither of which has been challenged by the Petitioner to date.

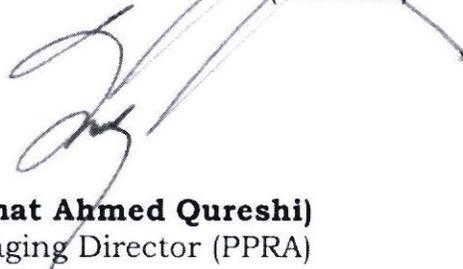


21. Keeping in view the procedural infirmities identified hereinabove on the one hand, and the gravity of the matter and the statement and inquiry report by the respondent, the Committee is of the view that the blacklisting of M/s Khan Enterprises for a period of ten (10) years is excessive and disproportionate. Consequently, the Review Petition is **partially accepted**, and the period of blacklisting imposed upon M/s Khan Enterprises is hereby **reduced from ten (10) years to one (01) year, effective from the original date of blacklisting, i.e., 23.12.2024.** Upon expiry of the said period, the appellant firm shall stand automatically delisted from the list of active blacklisted / debarred firms on PPRA's website. The procuring agency is further advised, in all future cases of debarment or blacklisting, to strictly comply with the Public Procurement Rules, 2004 along with the principles of natural justice and ensure that all actions are carried out in a fair, transparent, and legally defensible manner.


(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 information and implementation of this order.

Each page of the order has been signed by all members of the Review Petition Committee. The order comprises of nine (09) pages.

