



No. PPRA/AP-50/2025
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 Medicate International

...the "Appellant"

Vs.

Federal Government Polyclinic, through its ED, etc.

...the "Respondent"

Date of Hearing 22.12.2025	Mr. Majid Jehangir (Advocate) <i>(On behalf of Appellant)</i> Dr. Farrukh Iqbal (AED), Mr. Hashim Ali Khan (AAO) <i>(On behalf of Respondent)</i>
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APPEAL UNDER RULE 48(7) OF THE PUBLIC PROCUREMENT RULES, 2004


The above mentioned learned counsel 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 Medicate International submitted that their firm is an association of persons lawfully existing under the laws of Pakistan and is a recognized distributor of twelve (12) leading pharmaceutical companies. The Respondent No.1 i.e., Federal 



Government Polyclinic, acting as Procuring Agency, issued an Invitation to Bid on 02.09.2025 for procurement of drugs and medicines in bulk, followed by issuance of Prequalification Documents on 22.09.2025. In response thereto, twenty-seven (27) prospective bidders, including the Appellant, submitted prequalification applications through EPADS in strict compliance with the Instructions and requisite documentation.

3. The counsel of the appellant also submitted that, on 29.10.2025, the Technical Committee of Respondent No.1 uploaded a Technical Evaluation Report and simultaneously disqualified the Appellant along with twenty (20) other bidders, primarily on the alleged ground that the Appellant's Affidavit did not expressly state forfeiture of bid security in case any document or information was found incorrect, purportedly required under Clauses 15 and 17 of the Knock Down Clauses. Resultantly, competition was substantially reduced as twenty-two (22) bidders were excluded at the prequalification stage. The counsel of the Appellant submitted that it never received the disqualification letter and that such mass disqualification defeated the object of maximization of competition under Rule 4 of the Public Procurement Rules, 2004.



4. The counsel of the appellant further submitted that, being aggrieved, the Appellant filed a Grievance on 01.11.2025 before Respondent No.2, which was duly uploaded on EPADS, categorically asserting that it had substantially complied with

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Clauses 15 and 17 of the Knock Down Clauses. The Appellant specifically requested an opportunity of hearing to clarify the alleged procedural deficiency; however, no such opportunity was provided, rendering the grievance proceedings unlawful and in violation of the settled principles of natural justice, as upheld by the Islamabad High Court in *Fast Tracks Vs. FIA (2021 CLC 1160)*.

5. The counsel of the appellant further argued and submitted that notwithstanding the above, the Appellant, in good faith, submitted a detailed representation along with an amended Affidavit on 03.11.2025, reiterating compliance with Clauses 15 and 17 and expressing readiness to place the amended Affidavit before the Technical Committee. This curative effort was summarily disregarded without assigning any justification. Thereafter, on 06.11.2025, the Grievance Redressal Committee (Respondent No.3) passed a non-speaking and reasonless order under Rule 48(6), upholding the Technical Evaluation Report without addressing the substantive grievances raised by the Appellant. The impugned order was received by the Appellant on 07.11.2025.

6. The counsel of the appellant further added and submitted that the impugned order dated 06.11.2025 is ex facie unlawful, non-speaking, and violative of Rule 48(6) of the PP Rules, 2004, which mandates the GRC to investigate and decide upon the complaint. It is settled law that administrative

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and quasi-judicial authorities are bound to pass reasoned orders disclosing application of mind, as held in *Lakson Tobacco Vs. CBR (2009 CLD 1098)*. The failure of the GRC to record reasons vitiates the impugned order and renders it void ab initio.

7. The counsel of the appellant further submitted that the disqualification of the Appellant on alleged non-compliance with Clauses 15 and 17 is misconceived and unlawful, as the Prequalification Instructions did not prescribe any template or format for the Affidavit. The Knock Down Clauses merely required a general declaration regarding authenticity of documents and correctness of information, which requirement was duly fulfilled by the Appellant in its original Affidavit. In the absence of a prescribed format, penalizing the Appellant for an alleged deficiency falls outside the scope of the Instructions and violates the rule of **Contra Preferentem**, as recognized in *Sandoz Limited v. Federation of Pakistan (1995 SCMR 1431)* and *Data Steel Pipe Industries Vs. SSGCL (2012 CLD 832)*.

8. The counsel of the appellant further added and submitted that even otherwise, the Appellant fulfilled all essential conditions of prequalification, and the alleged deficiency, if any, was purely procedural and attributable to ambiguity in the drafting of the Knock Down Clauses by the Procuring Agency. It is a settled principle that only essential conditions are mandatory, whereas ancillary or procedural

requirements are directory and substantial compliance thereof is sufficient, as held in *Nishat Mills Ltd. Vs. Superintendent of Central Excise (PLD 1989 SC 222)* and *Dr. Akhtar Hassan Vs. Federation of Pakistan (2012 SCMR 455)*. Furthermore, upon submission of the amended Affidavit, any perceived deficiency stood fully cured, rendering the Appellant's disqualification illegal.

9. The counsel of the appellant also submitted that under the doctrine of substantial compliance, minor technical deviations that do not defeat the object or integrity of the procurement process cannot justify disqualification. The Appellant submitted the requisite Affidavit, disclosed all material facts truthfully, and complied with the substantive intent of Clauses 15 and 17. Moreover, the act of a public functionary, including ambiguity in tender documents, cannot prejudice a bidder, as consistently held by the superior Courts in *Province of Punjab Vs. Haji Yaqoob Khan (2007 SCMR 554)* and *Overseas Pakistanis Foundation and Others Vs. Syed Mukhtar Ali Shah (2007 SCMR 569)*.

10. The counsel of the appellant also argued and submitted that, no prejudice whatsoever has been caused to the Procuring Agency, as Rule 19(1)(a) of the PP Rules, 2004 independently empowers it to debar or blacklist a bidder if documents are found forged. The alleged omission in the Affidavit does not curtail this statutory power. Conversely, the mass

disqualification of bidders severely curtailed competition, contrary to Rule 4 of the PP Rules and the settled jurisprudence governing public procurement, as laid down in Reliance IT Solutions Vs. Federation of Pakistan (2022 CLC 1206). Therefore, the impugned order and Technical Evaluation Report are liable to be set aside, and the Appellant is entitled to be declared responsive.

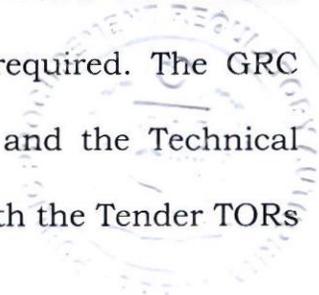
11. On the other side, learned representative of the respondent i.e., Federal Government Polyclinic submitted that, it is an admitted position that on 29.10.2025, the Technical Evaluation Committee of Respondent (the Procuring Agency) duly uploaded and published the Technical Evaluation Report on EPADS. However, it is respectfully submitted that the Appellant, while impugning the report of the Grievance Redressal Committee (GRC) and impleading the GRC as a respondent in the present appeal, has not raised any objection whatsoever against the Technical Evaluation Report itself, which in fact constitutes the actual and substantive subject matter of the procurement process. This omission clearly demonstrates that the Appellant has accepted the technical findings but has only challenged the outcome of the grievance proceedings.

12. The representative of the respondent also submitted that twenty-one (21) bidders, including the Appellant, were disqualified for distinct and clearly recorded reasons, which



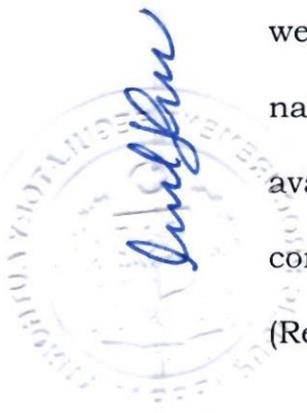
were expressly mentioned in the Technical Evaluation Report. The said report was uploaded and published on EPADS on 29.10.2025, and hard copies of disqualification letters were also issued to the concerned firms for facilitation purposes. The Appellant's denial regarding receipt of communication is contradicted by the record, as the disqualification letter is available with the appeal itself. Moreover, the Appellant approached the GRC through EPADS, which conclusively established that the Appellant was fully aware of its disqualification. After the introduction of EPADS under PPRA, manual communication is not mandatory; nevertheless, the Procuring Agency extended additional facilitation by issuing hard copy letters.

13. The representative of the respondent further submitted that the Technical Evaluation Report was uploaded on 29.10.2025, and the Appellant filed its grievance on 04.11.2025, i.e., two days prior to the last date for filing grievances, clearly indicating that the Appellant had sufficient time, notice, and opportunity to prepare and submit its grievance. The GRC hearing was scheduled and conducted on 06.11.2025, wherein the Appellant duly appeared through its representative, Mr. Waseem Butt, who admitted the mistake and submitted an amended affidavit as required. The GRC thoroughly examined the Appellant's bid and the Technical Evaluation Report strictly in accordance with the Tender TORs and Knock-Down (KD) Clauses.



14. The representative of the respondent further added and submitted that during the grievance proceedings, the GRC observed that all bidders had obtained the tender documents, read and accepted the terms and conditions, and thereafter uploaded their bids on EPADS. In parallel, upon receipt of the Technical Evaluation Report, the administration of Respondent No. 1 sought clarification from PPRA vide letter No. F3-52/2025-26-A dated 04.11.2025, to which PPRA responded vide letter No. F.No.6(1).11/PPRA/2022/Polyclinic dated 04.11.2025, clarifying that all bids must be evaluated strictly in accordance with the Technical Evaluation Criteria and the terms and conditions stipulated in the bidding documents. In light of this authoritative clarification, the GRC rightly declined to accept any additional documents beyond those already available on EPADS and unanimously decided to uphold the recommendations of the Technical Evaluation Committee.

15. The representative of the respondent further submitted that the GRC's decision was duly uploaded and published on EPADS on 07.11.2025, after affording the Appellant a full and fair opportunity of hearing. The reasons for disqualification were recorded in writing, and no violation of the principles of natural justice occurred. Furthermore, the Appellant had an available statutory remedy to file an appeal before the competent authority of FGPC, i.e., the Executive Director (Respondent No. 2), against the GRC's decision; however, the



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Appellant bypassed the said forum and directly approached PPRA, rendering the appeal procedurally defective. The GRC decided the matter within the prescribed period under Rule 48(6) of the PP Rules, 2004, after due examination of the complaint.

16. At the last, the representative of the respondent also submitted that the disqualification of the Appellant was lawful and strictly in accordance with the bidding documents and PPRA Rules, particularly Knock-Down Clauses 15 and 17, which mandatorily required submission of duly notarized affidavits on Rs.100/- stamp paper affirming the authenticity, genuineness, and completeness of the bid documents, with explicit consequences for any false declaration, concealment, or misrepresentation. These clauses were clearly identified as knock-down clauses, and the Appellant, despite having downloaded the tender documents and having access to the clarification mechanism on EPADS, raised no objection prior to bid opening. The procurement process was conducted transparently under Rule 4 of the PP Rules, 2004, and six firms were prequalified for the next stage under the closed framework of agreement, ensuring fair competition and value for money, hence requested to decide the instant appeal in the best interest of public.

17. After perusal of all available record and arguments made by both the parties, the Appellate Committee ("the Committee")



noted that, the core issue in the instant matter is that; whether the disqualification of the Appellant on the basis of Clauses 15 and 17 of the Knock Down Clauses was lawful and whether the alleged deficiency in the affidavit was substantive or merely procedural. At this point, it is an admitted position that the Respondent No.1, Federal Government Polyclinic (FGPC), issued an Invitation to Bid on 02.09.2025 for procurement of drugs and medicines in bulk, followed by issuance of Prequalification Documents on 22.09.2025, and that twenty-seven (27) prospective bidders, including the Appellant, submitted their prequalification applications through EPADS. It is also undisputed that on 29.10.2025, the Technical Evaluation Committee uploaded the Technical Evaluation Report on EPADS, whereby twenty-one (21) bidders, including the Appellant, were disqualified at the prequalification stage on various grounds, including alleged non-compliance with Clauses 15 and 17 of the Knock Down Clauses relating to submission of affidavits.

18. At this juncture, the Appellate Committee observed that the Appellant was disqualified on the specific ground that its affidavit did not expressly state forfeiture of bid security in case any document or information was found incorrect. The Appellant contested this finding by asserting substantial compliance with the said clauses and alleging ambiguity in the bidding documents. The record further reflected that the Appellant filed a grievance before the GRC within the stipulated

time, appeared in the grievance proceedings, and subsequently submitted an amended affidavit during the hearing. The GRC, however, declined to consider the amended affidavit and upheld the Technical Evaluation Report vide its order dated 06.11.2025.

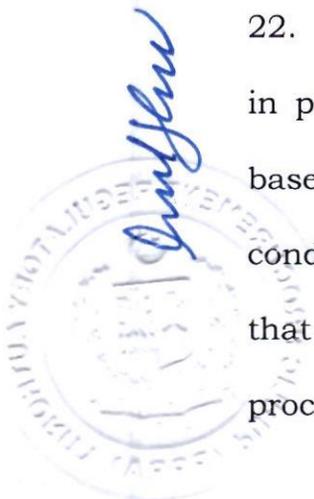
19. The Appellate Committee also observed that, while the Appellant has primarily assailed the order of the GRC on the grounds of being non-speaking and violative of Rule 48(6) of the PP Rules, 2004, the Appellant has, in substance, also challenged the legality of its disqualification as recorded in the Technical Evaluation Report, as the grievance and the present appeal both emanate from the same evaluation outcome. The contention of the Respondent that the Appellant did not receive the disqualification letter is contradicted by the fact that the Appellant approached the GRC through EPADS within time and produced the disqualification letter on record, which established knowledge of the adverse decision. The Committee further observed that the grievance proceedings were conducted within the statutory timeframe prescribed under Rule 48(6) of the PP Rules, 2004, and that the Appellant was afforded an opportunity to appear before the GRC.

20. In light of foregoing, the Appellate Committee is of the view that Knock Down Clauses, by their very nature, are mandatory and must be complied with strictly, particularly where they relate to the authenticity, correctness, and

completeness of bid documents. The affidavit requirement under Clauses 15 and 17 was clearly identified as a knock-down condition, and all bidders were required to comply with it in letter and spirit. However, it is equally settled principle that where the bidding documents do not prescribe a specific format or template, and where the intent of the clause is substantially met, the procuring agency is required to examine whether the deviation goes to the root of the requirement or is merely ancillary or procedural in nature and whether the deficiency was curable and it materially affected the integrity of the procurement process.

21. In the present case, the Appellant did submit an affidavit affirming the authenticity and correctness of its documents. The alleged omission pertains to the absence of an express recital regarding forfeiture of bid security. The Committee noted that Rule 19 of the PP Rules, 2004 independently empowers the procuring agency to debar or blacklist a bidder in case of false or forged documents, irrespective of such recital in the affidavit.

22. The Appellate Committee is of the considered view that in public procurement, disqualification of a bidder must be based on substantive non-compliance with essential conditions and not on hyper-technical or procedural omissions that do not defeat the object or integrity of the procurement process. Clauses 15 and 17 of the Knock Down Clauses, when



read purposively, require a declaration as to the authenticity and correctness of documents. In the absence of a prescribed format, the bidder cannot be penalized for not reproducing a particular phrase or consequence which is otherwise already embedded in the statutory framework of the PP Rules, 2004. Reliance is made on "**A.M. Construction Vs. NHA, 2017 CLC 178 (Lahore)**"

23. Moreover, the Appellate Committee is further of the view that the doctrine of substantial compliance squarely applies to the facts of the present case, as the Appellant complied with the essential requirements of the bidding documents and any alleged deficiency was minor, procedural, and readily curable. The Committee holds that ambiguity, if any, in the drafting of the Knock Down Clauses must be construed against the Procuring Agency under the rule of *Contra Preferentem*, and such ambiguity cannot be used to the detriment of an otherwise responsive bidder. Reliance is made on "**Universal Insurance Vs. Karim Gul, 2021 CLD 1189 (SC)**".

24. In view of the foregoing discussion, the Appellate Committee is of the considered opinion that the technical evaluation conducted by the respondent department, whereby the appellant was disqualified solely on the ground that its affidavit did not explicitly provide for forfeiture of bid security in the event that any document or information was found to be incorrect, despite the absence of any prescribed affidavit

format, is not legally sustainable nor justified in light of the settled judicial precedents referred to hereinabove. Consequently, the Appellate Committee directed the respondent's Technical Committee to re-examine the matter and take appropriate action strictly in accordance with the PP Rules, 2004 and in light of the observations, views, and judicial precedents recorded in paragraphs 20 to 23 of this order. Accordingly, the appeal in hand is hereby disposed of in the above terms.


(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 fourteen (14) pages.

