



Review Petition No. PPRA/RP-04/2025
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 Shah Faisal & Company

...the Petitioner

Vs.

Commander Log Area, Quetta, etc.

...the Respondent

Date of Hearing 24.07.2025	Mr. Shah Faisal (Proprietor/Director) (On behalf of Petitioner) Mr. Hameed Shah (Deputy Director Legal, DGP (A) / CLS / Log Area Quetta) (On behalf of Respondent)
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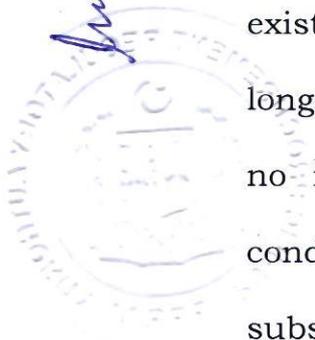
The above mentioned learned counsel(s) and representative(s) of the parties tendered appearance before the Review Petition Committee and furnished their arguments at length.

2. At the outset of the hearing, the learned counsel of the petitioner i.e., Faisal & Co submitted that the said firm is registered as contractor with the respondent's Department and provided it services for about last 13 without any complaints or involvement in corrupt or illegal practices. However, on 04-04-2025 the appellant received a letter dated 01-03-2025 that the firm/Company of the appellant has been black listed without any prior notice, inquiry or opportunity to be heard.

3. The Counsel of the Petitioner also submitted that the impugned decision of the respondents, was unilateral, made without issuance of a show-cause notice, and in violation of the principles of natural justice and due process, rendering it legally unsustainable and liable to be set aside.

4. The counsel further submitted that no specific charge or allegation was framed, nor was the firm accused of any failure in contractual performance or involvement in corrupt practices. Despite this, a penal action of blacklisting was taken, allegedly based on uncorroborated verbal statements made by an official who was himself under investigation. The appellant maintained that this cannot justify such punitive action.

5. The petitioner emphasized that the firm has satisfactorily completed all contractual obligations with no adverse record, and that no independent inquiry or investigation had been conducted specifically against it. Hence, the blacklisting order appears to be based on assumptions rather than verified misconduct. That the appellant's firm has satisfactorily completed all assignments and contractual obligations entrusted to it under various contracts and bids without any reported breach or violation of terms and conditions. There exists no adverse record or finding against the firm during its long-standing association with the respondents. Furthermore, no independent inquiry or investigation was initiated or conducted specifically against the appellant firm to substantiate the allegations that led to the impugned action.



Therefore, the blacklisting order appears to be based on assumptions rather than verified misconduct.

6. It was also submitted that the firm has never furnished false, fabricated, or misleading information for the purpose of securing contracts. The appellant claimed the action was discriminatory, making the firm a scapegoat, resulting in irreparable financial and reputational loss.

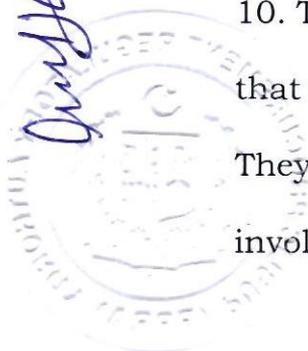
7. On the other hand, learned counsel for the Respondents submitted that M/s Shah Faisal & Co is a registered contractor with Quetta Logistic Area since April 2016 after having fulfilled all codal formalities. The firm actively participated in the tendering process and executed ten contracts between the financial years 2017 to 2023, with a cumulative contractual value of Rs. 429.655 million, including the most recent contract in the financial year 2023–24 amounting to Rs. 97.279 million. However, it is contended that the appellant firm was found involved in illegal practices, which the proprietor allegedly admitted during an internal investigation.

8. The learned Counsel for the Respondents further submitted that the blacklisting order was issued in strict compliance with Rule 19(a) of the PPRA Rules read with SRO 834(I)/2021, clause (f), sub-para (iii), which defines 'corrupt practices' as the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence the act of another party for wrongful gain. It was asserted that a thorough and

detailed investigation was conducted at Quetta, pursuant to which a Board of Officers established the involvement of the appellant firm in acts of illegal gratification offered to personnel of the procuring agency during the contracting process. As a consequence of the investigation, three officials involved in the matter confessed to receiving such illegal gratifications and were subsequently terminated from service.

9. The learned Counsel for the Respondents further submitted that the owner of the appellant firm was called and examined during the course of investigation conducted at Quetta on 26 December 2023. During the said proceedings, the individual voluntarily confessed to visiting the residence of an officer involved in the matter and handing over dry fruits and other items as gratification, and further admitted to having paid cash to another official of the procuring agency, which he attempted to justify as reimbursement for stationery expenditure. They further cited contractual clauses allowing contract termination upon discovery of fraud, bribery, or other misconduct. These included Clause 8(b), sub-paras (1) and (2), and Clause 8(a), which permit termination on suspicion of anti-state or undesirable activities without the need for justification

10. The Learned counsel for the respondent disputed the claim that the blacklisting was based on a single official's statement. They clarified that the official named ten other firms also involved in such acts. All eleven firms were blacklisted, and the



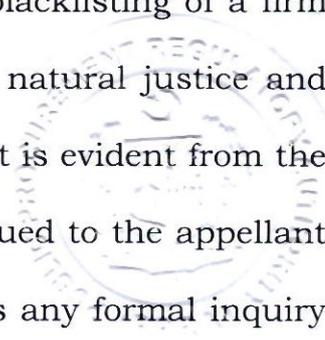
three PSO officials were dismissed. The smuggling allegation was denied as unsupported by the investigation.

11. The Respondents acknowledged the firm's past performance had no issues but emphasized that the blacklisting was based on established corrupt practices, not performance-related deficiencies.

12. The learned counsel for the respondents denied the appellant's claim that it has been made a scapegoat in the matter, asserting that the allegation is entirely baseless and contrary to the record. It was submitted that a thorough investigation was conducted, during which the involvement of the appellant firm, along with ten (10) other contractors, in corrupt practices was duly established. Consequently, all eleven (11) firms were blacklisted in accordance with the findings of the inquiry, and the three (3) officials from the procuring agency who were found involved were terminated from service through departmental proceedings.

13. In light of above and after perusal of all the available record, the Review Petition Committee, after hearing both parties, finds that while the seriousness of corruption allegations cannot be undermined, the process leading to the blacklisting of a firm must strictly adhere to the principles of natural justice and procedural fairness. In the present case, it is evident from the record that no show cause notice was issued to the appellant prior to the blacklisting decision, nor was any formal inquiry

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conducted under a duly notified procedure involving independent adjudication. The alleged confessional statement, though documented, appears to have been recorded without framing of charges or affording the appellant an opportunity to respond, thereby violating essential safeguards of due process.

14. The committee further noticed that although the respondents have relied on relevant contract clauses and procurement rules to justify their action, blacklisting being a penal consequence must necessarily be preceded by fair notice, inquiry, and hearing as mandated under law. The record does not reflect compliance with these requirements. However, the Committee also notes that the appellant, in his recorded statement, admitted to handing over gifts and cash to procurement officials—an act that raises serious concerns, even if the statement was not recorded under formal legal proceedings. Such conduct, in the broader context of institutional integrity, cannot be ignored.

15. In view of the procedural lapses on one hand and the seriousness of the admitted conduct on the other, the Committee is of the considered opinion that the blacklisting of M/s Shah Faisal & Company for a period of ten (10) years is excessive and disproportionate. Accordingly, the Review Petition is partially accepted and **the blacklisting period of M/s Shah Faisal & Company is reduced from ten (10) years to one (1) year, effective from the original date of blacklisting i.e., 23 December 2024.** Upon completion of the

said period, the appellant firm shall automatically stand delisted, unless a fresh proceeding is initiated on the basis of new evidence in accordance with law. The procuring agency is advised to ensure strict adherence to principles of procedural fairness in all future debarment and blacklisting actions.


(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.

Each page of the order has been signed by all members of the Review Petition Committee. The order comprises of six (06) pages.

