



F. No. PPRA/AP-57/2026
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 H&M Engineering

...the “Appellant”

Vs.

Hyderabad Electric Supply Company (HESCO), etc.

...the “Respondent(s)”

Dates of Hearing	Mr. Hassan Siddiqui (Managing Director)
29.09.2026	<i>(On behalf of Appellant)</i>
16.09.2026	Mr. Muhammad Shafique (Advocate)
	<i>(On behalf of Respondent i.e., HESCO)</i>

APPEAL UNDER RULE 48(7) OF THE PUBLIC PROCUREMENT RULES, 2004, AGAINST THE DECISION OF GRC [IN TENDER NO. PMU 200/2025-26]

The Authority received the titled Appeal on 24.08.2026, filed by M/s H& M Engineering (“the Appellant”), under Rule 48(7) of the Public Procurement Rules, 2004. The abovementioned learned counsel and representative of the Appellant and the Respondent tendered appearance before the Appellate Committee (“the Committee”) on the date of hearing fixed and furnished their arguments at length.

2. At the very outset, learned representative of the Appellant i.e., M/s H&M Engineering submitted that the Appeal comprises two issues: firstly, declaration of HESCO Tender No. PMU-200/2025-26 as mis-procurement due to alleged violations of the Public Procurement Rules, 2004 and the applicable GRC

mechanism; and secondly, challenge to the Appellant's declaration as non-responsive in the Technical Evaluation Report (TER).

3. The representative of the Appellant also submitted that they participated in the subject tender for Item No. 1 and submitted its bid through EPADS on 03.03.2026. The Technical Evaluation Report (TER) published on 03.06.2026 omitted the Appellant's name altogether, which, according to the Appellant, violated Rule 35 of the Public Procurement Rules, 2004, ("PP Rules, 2004") as no reason for acceptance or rejection of its bid was disclosed. Upon informing the Respondent i.e., Hyderabad Electric Supply Company (HESCO) on 10.06.2026, the DG Procurement sought time to investigate, where after HESCO issued a TER (Corrigendum) on 15.06.2026 declaring the Appellant non-responsive for not submitting Financial Criteria Forms and audited financial statements for the preceding three years under Clause 13.3(b), Section III of the BDS.

4. The representative of the Appellant further submitted that the TER (Corrigendum) was not uploaded on EPADS but was communicated to it through WhatsApp by the Procurement Manager, HESCO. Consequently, the Appellant submitted its grievance through courier on 16.06.2026. Despite the pending grievance, HESCO opened the Financial Bids of the other bidders on 18.06.2026. The Appellant contended that this violated Clause 48.3 of the applicable GRC mechanism, which required suspension of procurement proceedings upon receipt of a grievance against the TER. The Appellant further stated that although the DG Procurement verbally informed it that proceedings for the relevant item had been stopped, such position was untenable as bidders had quoted multiple items through a common bid and item-wise opening of Financial Bids was not possible.

5. The representative of the Appellant also submitted that the GRC decided its grievance on 24.07.2026, i.e. after 38 days, contrary to Rule 48(5) of the PP Rules, 2004, which prescribed a period of 10 days. Instead of examining the substantive grievance, the GRC rejected it on the ground that the Appellant had not submitted its grievance within seven days through EPADS. The Appellant contended that the GRC failed to appreciate that the original TER dated 03.06.2026 did not contain its name or declare it non-responsive, while the Corrigendum TER dated 15.06.2026, which first communicated the adverse decision, was not uploaded on EPADS. Thus, the Appellant maintained that it could not reasonably have challenged the omitted decision before issuance of the Corrigendum.

6. The representative of the Appellant further argued that the GRC neither considered its substantive objections to the declaration of non-responsiveness nor the procedural lapse committed by HESCO Procurement in issuing the incomplete TER. According to the Appellant, the GRC effectively ignored the TER (Corrigendum) dated 15.06.2026 and based its decision on the incomplete TER dated 03.06.2026. The Appellant therefore submitted that the initial omission resulted in successive violations of the procurement and GRC procedures, including failure to properly publish the TER, non-publication of the Corrigendum, continuation of procurement despite the grievance, and delayed disposal thereof, thereby constituting misprocurement. The Appellant further stated that the issue of misprocurement was raised before the DG Procurement on 25.07.2026, but no response was received.

7. The representative of the Appellant also submitted that the tender was conducted on a single-stage, two-envelope basis, requiring separate Technical and Financial Bids, and that the tender documents nowhere expressly required Financial

Statements or Financial Criteria Forms to be placed in the Technical Bid. The Appellant had placed this checklist at the first page of its Technical Bid and clearly identified the Price Schedule, Financial Data, Annual Turnover Data and Audited Financial Statements for the preceding three years as part of its Financial Bid. The Appellant stated that it follows the same practice in MEPCO Tenders PMU-20/2024-25 and PMU-04/2025-26.

8. The representative of the Appellant further argued that, HESCO's Evaluation Committee was thus aware that the aforesaid documents had been included in the Financial Bid and, if required for evaluation, could have sought additional copies. The Appellant also emphasized that the technical evaluation took approximately three months, yet no clarification or additional documents were sought before declaring it non-responsive.

9. The representative of the Appellant also submitted that they relied upon Clause 21 of the BDS, under which the bidder was required to have average annual turnover during the preceding three years equal to or exceeding the quoted bid price and cash-flow availability of at least 25% of the total quoted amount. It was contended that these requirements could only be assessed meaningfully after opening the Financial Bid. Reliance was further placed on ITB Clause 22.6, which prohibits financial information in the Technical Bid; Clause 29.2, which does not prescribe financial data as a criterion of responsiveness; Clause 33.2, which confines Technical Evaluation to the BDS and Technical Specifications; and Clause 36, particularly Sub-Clauses 36.3 and 36.4, which, according to the Appellant, contemplate assessment of financial capability after opening of the Financial Bid.

10. The representative of the Appellant further argued that its declaration as non-responsive for not submitting Financial Criteria Forms and Audited Financial Statements in the Technical Bid was contrary to the tender documents and

inconsistent with the single-stage, two-envelope procedure and prevailing practice of other DISCOs. It was further submitted that, even if HESCO considered the documents necessary for technical evaluation, it could have sought additional copies rather than declaring the bid non-responsive.

11. At the last, the representative of the Appellant also submitted that the decision of the Respondent declaring it non-responsive be set aside and its bid be considered in accordance with the tender documents. Alternatively, if the procurement could not lawfully proceed, the Appellant requested that the tender be declared mis-procurement, particularly for violation of Rule 35 and the applicable GRC mechanism, and HESCO be directed to issue a fresh tender.

12. On the other hand, learned counsel of the Respondent i.e., Hyderabad Electric Supply Company (HESCO), submitted that HESCO is a fully Government-owned company, incorporated under the then Companies Ordinance, 1984, now the Companies Act, 2017, and is a licensee of NEPRA. It is responsible for providing electric power services and is committed to discharging its obligations and conducting procurement in accordance with the applicable laws, rules and regulatory framework.

13. At the outset, the counsel of the Respondent (HESCO) raised preliminary objection regarding the subject appeal and submitted that the instant Appeal is not maintainable, as the Appellant has deliberately failed to disclose the date of the impugned GRC decision, apparently to circumvent the prescribed limitation. Under Rule 48(3) of the Public Procurement Rules, 2004 ("PP Rules, 2004"), a bidder aggrieved by any act of the Procuring Agency after submission of bids is required to lodge a written grievance within seven days of announcement of the Technical Evaluation Report and within five days after announcement of the Final Evaluation Report.

14. The counsel of the Respondent also submitted that the Appellant failed to lodge any grievance within the prescribed seven days period against its technical disqualification. The subsequent grievance was, therefore, barred by limitation and was rightly declined by the GRC. Having allowed the statutory remedy to lapse, the Appellant cannot revive the same grievance through the instant Appeal.

15. The counsel of the Respondent further submitted that the Appellant has not approached the forum with clean hands, as the Appeal appears to have been instituted primarily to delay and prolong an otherwise transparent procurement process. Having failed to avail the prescribed remedy within time, the Appellant is not entitled to equitable or discretionary relief, particularly where such intervention would prejudice the procurement process and the rights of other bidders. Moreover, the Respondent has committed no deviation from the PP Rules, 2004 or the bidding documents. The Appellant was declared technically non-responsive for failure to submit the Financial Criteria Forms and audited financial statements for the preceding three years, as expressly required under Clause 13.3(b), Section-III of the Bid Data Sheet. A bidder who fails to furnish mandatory qualification documents cannot be treated as responsive contrary to the prescribed criteria.

16. The counsel of the Respondent also submitted that the technical bids were opened through EPADS on 03.03.2026, wherein six bidders participated in different items. Upon evaluation, the Appellant was declared technically non-responsive for the aforesaid deficiencies. The Technical Evaluation Report was thereafter published on EPADS, with opening of the financial bids scheduled for 10.06.2026. No grievance was received from the Appellant within the prescribed seven-day period either through EPADS or at the HESCO office.

17. The counsel of the Respondent further submitted that, after expiry of the prescribed grievance period, the financial bids of the technically responsive bidders were opened on 10.06.2026. Thereafter, representatives of the Appellant approached PMU, HESCO, and objected to their exclusion from the Technical Evaluation Report. They were informed that the Report had already been published and that any grievance was required to be lodged before the Procuring Agency / GRC within the prescribed period. The reasons for the Appellant's technical non-responsiveness were also communicated to them. Notwithstanding the expiry of limitation, the Appellant subsequently approached the GRC against its technical disqualification. The GRC examined the procurement record, relevant EPADS dates, the Technical Evaluation Report and the applicable provisions of Rule 48(3) of the PP Rules, 2004, and found that the grievance had not been lodged within seven days of publication of the Technical Evaluation Report; accordingly, the GRC declined to entertain the grievance on the ground of limitation.

18. The counsel of the Respondent also added that the technical evaluation was conducted strictly in accordance with the bidding documents and the prescribed qualification criteria, and the Technical Evaluation Report was duly published through EPADS. The procurement thereafter progressed through technical evaluation, publication of the Report, expiry of the grievance period, opening and evaluation of financial bids. Reopening the completed stages at this stage would prejudice the legitimate interests of the bidders who remained responsive.

19. At the last, the counsel of the Respondent further argued that M/s Siemens (Pakistan) Engineering Company Limited was determined to be the Most Advantageous Bidder. HESCO has already expressed concern regarding the validity of the bids in view of prevailing market conditions and price fluctuations. Any

further prolonged interruption may result in expiry of bid validity, necessitate further procurement action and cause additional time and potentially higher procurement costs. Moreover, inclusion of the Appellant as a responsive bidder at this stage would prejudice the rights and interests already accrued to the responsive bidders, particularly M/s Siemens (Pakistan) Engineering Company Limited, whose presence is also necessary for effective adjudication of the matter.

20. At the very last, the counsel of the Respondent also submitted that, in view of the above-mentioned arguments / submissions, it is respectfully prayed that the instant Appeal may kindly be dismissed as not maintainable and time-barred, being founded upon a grievance raised beyond the prescribed period, coupled with the Appellant's failure to submit the requisite qualification documents and non-joinder of necessary parties. It is further prayed that the Respondents may be permitted to proceed with the remaining procurement process in accordance with the PP Rules and bidding documents, subject to any order deemed appropriate by the competent forum.

21. At the very outset, upon examining the relevant record, the Appellate Committee ("the Committee") noted that the bid was opened on 03.03.2026 with a bid validity period of 120 days, which expired on 01.07.2026. Subsequently, the Respondent, HESCO, sought a one-time extension of the bid validity for a further period of 60 days, i.e., up to 30.08.2026. Rule 26(2) of the Public Procurement Rules, 2004 ("*PP Rules*") requires bids to remain valid for the period specified in the bidding documents, whereas Rule 26(3) of the PP Rules, 2004, mandates the procuring agency to process and evaluate the bids within the stipulated validity period and, only in exceptional circumstances and for reasons to be recorded in writing, permits extension thereof for a period not exceeding the original bid validity. In the instant case, it is an admitted position that both the original and

extended periods of bid validity have expired. Accordingly, continuation of the procurement proceedings beyond the prescribed and duly extended bid validity period is inconsistent with the mandate and scheme of Rule 26 of the PP Rules, 2004 and, therefore, such proceedings cannot legally acquire or retain validity or effect.

22. After perusal of all available record and arguments furnished by both the parties, the Committee observed that the Technical Evaluation Report (TER) published on 03.06.2026 omitted the Appellant's name altogether and did not disclose its status or any reason for rejection/non-responsiveness. This was contrary to the requirement of Rule 35 of the PP Rules, 2004, which requires the result of evaluation and reasons for rejection to be communicated. Subsequently, upon the Appellant's approach on 10.06.2026, the Respondent (HESCO) issued a TER (Corrigendum) dated 15.06.2026 declaring the Appellant non-responsive for non-submission of Financial Criteria Forms and audited financial statements under Clause 13.3(b), Section-III of the BDS.

23. The Committee also observed that the aforesaid Corrigendum was not uploaded on EPADS and was instead communicated to the Appellant through WhatsApp. The Appellant lodged its grievance on 16.06.2026, immediately after such communication. In these circumstances, the Respondent's contention that the grievance was time-barred from the date of the original TER dated 03.06.2026 is not convincing, as the original TER neither declared the Appellant non-responsive nor disclosed the reasons for its exclusion. The adverse decision was communicated for the first time through the Corrigendum dated 15.06.2026. The Appellant could not reasonably be expected to challenge an adverse decision which had not been disclosed to it.

24. The Committee further observed that the GRC decided the Appellant's grievance on 24.07.2026, approximately 38 days after

its submission, whereas the applicable grievance mechanism contemplated expeditious disposal within the prescribed period i.e., ten (10) days from the receipt of that grievance. No satisfactory justification for such delay has been placed on record. Moreover, the GRC declined to examine the substantive grievance by treating it as time-barred and, consequently, did not address the Appellant's objections regarding the defective TER, non-publication of the Corrigendum on EPADS and its declaration as non-responsive.

25. The Committee also observed that the Respondent was allowed to proceed the procurement process called in question, despite the Appellant's pending grievance. The Appellant asserts that financial bids were opened on 18.06.2026, whereas HESCO states that they were opened on 10.06.2026. The discrepancy has not been satisfactorily reconciled from the record. Nevertheless, it is evident that the procurement proceeded to the financial stage without effective resolution of the Appellant's grievance, thereby undermining the efficacy of the prescribed grievance redressal mechanism as defined in Rule 48 of the PP Rules, 2004.

26. With regard to the substantive ground of non-responsiveness, the Appellant was declared non-responsive for non-submission of Financial Criteria Forms and audited financial statements under Clause 13.3(b), Section-III of the BDS. The Appellant, however, relied upon Clauses 21, 22.6, 29.2, 33.2 and 36 of the bidding documents and contended that the financial capability requirements were to be assessed in the financial evaluation and that financial information was not required in the Technical Bid. The Committee finds that the record discloses an apparent ambiguity regarding the stage and manner in which the said documents were required to be submitted and evaluated.

27. The Committee further observed that the Respondent has not satisfactorily explained the omission of the Appellant's name from the original TER, the subsequent issuance of the

Corrigendum, its non-publication on EPADS, or the continuation of the procurement during the pendency of the grievance. These defects, considered cumulatively, materially affected the transparency and fairness of the evaluation process and the Appellant's statutory right of redress.

28. The Committee is also not persuaded by the Respondent's plea that the interests of M/s Siemens (Pakistan) Engineering Company Limited, being the Most Advantageous Bidder, should prevent interference with the procurement. No bidder can claim a vested right arising from a procurement process which has not been conducted in accordance with the mandatory requirements of the PP Rules, 2004. Likewise, concerns regarding market conditions, price escalation or possible increase in procurement cost cannot justify continuation of a procedurally defective process.

29. Upon consideration of the record, the Committee finds that HESCO committed material violations and procedural irregularities, including; (i) omission of the Appellant's status and the reasons for its treatment from the TER dated 03.06.2026; (ii) subsequent declaration of the Appellant as non-responsive through Corrigendum dated 15.06.2026; (iii) failure to publish the said Corrigendum on EPADS; (iv) denial of an effective and timely opportunity to avail the prescribed grievance mechanism; (v) continuation of the procurement proceedings despite pendency of the grievance; (vi) delayed disposal of the grievance by the GRC; and (vii) continuation of the procurement proceedings beyond both the original and extended bid validity periods.

30. The Committee is, therefore, of the considered view that the above irregularities are not merely technical in nature but collectively go to the root of the procurement process. At this stage, re-evaluation of the existing bids would neither adequately cure the procedural defects nor ensure equal treatment of all

bidders. The appropriate course is, therefore, cancellation of the impugned procurement and fresh tendering.

31. For what the reasons and observations mentioned above, the Appeal in hand is **partially allowed**. The procurement proceedings in respect of HESCO Tender No. PMU-200/2025-26 are hereby **set aside/annulled**, and HESCO is directed to **scrap/cancel the subject tender and re-tender the requirement afresh** in accordance with the PP Rules, 2004, applicable regulations and bidding documents. In the fresh procurement, HESCO shall clearly prescribe the documentary requirements and evaluation criteria, ensure proper publication of the TER and any corrigendum through EPADS, strictly observe the prescribed bid validity and evaluation timelines, and provide an effective opportunity of grievance in accordance with law.


(Dr. Muhammad Aslam Waseem)
Director General (Legal)
(Member)


(Abdul Majeed)
Sr. Specialist (M&E)
(Member)


(Hasnat Ahmed Qureshi)
Managing Director (PPRA)
(Chairman of the Committee)

Dated: 12th October, 2026

Each page of the order has been signed by all members of the Committee. The order comprises twelve (12) pages.

