

# REGIONAL DIRECTORATE OF FOOD KARACHI REGION KARACHI

NO. A/C(F-1)Transport Contt./Royal Traders/Wheat Shifting/2012

Dated: 18-09-2012

## **READ :-**

- (i) Food Department Letter No. SO(W)-Shifting-8(0)/2012 dated 16-02-2012, allowing for shifting wheat from District Sukkur through M/S Royal traders.
- (ii) Approval of tender rates vide letter No. A/C(F-I)Tender-2012-13/2012/631 dated 16-03-2012
- (iii) Agreement executed by M/S Royal traders
- (iv) Show cause notice issued to M/s Royal Traders vide No.A/C(F-I)/Wheat Shifting /2012/68 dated 06-04-2012.
- (v) Letter No.A/C(F-I)/Wheat Shifting /2012/701 dated 16-04-2012.
- (vi) Letter No.A/C(F-I)/Wheat Shifting /2012/706 dated 18-04-2012.
- (vii) Letter No.A/C(F-I)/Wheat Shifting /2012/712 dated 19-04-2012.
- (viii) Letter No.A/C(F-I)Shifting of Wheat/2012 dated 26-04-2012 whereby M/s Royal Traders was called for personal hearing on 02-05-2011.
- (ix) Final Show Cause notice issued to issued to M/s Royal Traders vide No. A/C(F-I)Shifting of Wheat/2012 dated 06-06-2012.
- (x) Letter No.BA-III/Food/Pvt:TPT/2011-12 dated 12-06-2012 forwarded therewith letter No. PS/MIN/FOOD/106-A/2012 dated 12-06-2012 for taking action against contractor M/S Royal Traders.
- (xi) Enquiry Report of V.O Food vide No: Vo (Food)/203/2012 dated 21-06-2012.
- (xii) Fresh Show Cause Notice No: A/C(F-I) Wheat Shifting /2012/41 dated 17-07-2012.
- (xiii) Reply dated 17-07-2012 of M/s Royal Traders.

## **ORDER**

Whereas, M/S Royal Trader, (Proprietor Mr. Suresh Kumar CNIC No. 45101-3970551-1) was appointed/inducted as transport contractor in compliance to the directives of Food Department received vide letter as mentioned (at sr. No.i) by the Regional Directorate of Food, Karachi on the under taking given by the contractor for handling and transportation of wheat from District Sukkur to PRCs/ Godowns of Karachi Region on the condition that contractor will accept the rate of transportation, as decided in the tender process.

Whereas, work order for shifting wheat from District Sukkur to Karachi was issued to said contractor on 17-02-2012. The contractor was directed through subsequent letters dated 24-02-2012, 28-02-2012, 03-03-2012 and 24-03-2012 to unload wheat at the specified Flour Mills, as per quantity shown against each mill. However, it was noticed from the daily stock report that contractor had shown un-loading of huge wheat stocks at certain Flour Mills particularly M/s, Kausar, Lasani and Chishtia Flour Mills of District East at their own wish, which were not nominated by the Regional Office, while there was variation in dispatch and arrival figures, apprehending fake transportation. The DFC East vide his letter dated 29-03-2012 further confirms that contractor had unloaded 116583 bags at above three mills without his recommendation.

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MM  
22-34  
20.5  
SPERA WAREHOUSE  
No. \_\_\_\_\_  
Date \_\_\_\_\_  
Supt. Warehouse  
Regulatory Affairs  
Karachi

Whereas, noticing above position, a show cause notice was served on the aforesaid contractor on 06-04-2012, which was sent through courier but contractor failed to respond nor furnished date wise, truck wise details of dispatches due to which the reconciliation of stocks also could not be made.

Whereas, the contractor was afforded another chance and called for personal hearing on 02-05-2012 vide letter as mentioned at Sr. No. ( viii) above, but this time also he failed to come up with explanation, which proves that he has no grounds to clear his position.

Whereas, finding nil response from the contractor to the show cause notice, subsequent letter as well letter of personal hearing, a final show cause notice was issued to them on 06-06-2012.

Whereas, aforesaid contractor has furnished reply to final show cause notice, which is very précised, consisting only three lines, shortly stating that " we are shifting wheat from Sukkur and attached dispatch certificates".

And whereas, it appeared from the dispatch certificates provided with reply that these were managed, as neither counter signed by the dispatching DFC i.e DFC Sukkur, though stamp of DFC Sukkur was affixed on each document, nor counter signed by the recipient DFCs of Karachi (except DFC East).

Meanwhile the Govt. had already ordered enquiry through Vigilance officer Food in the matter of fake transportation on the reports of Regional office Karachi. The reports of Vigilance officer Food dated 21-06-2012, clearly proves that there was fake transportation of 116,583 bags at M/s Kausar, Lasani and Chishtia Flour Mills through M/s Royal Traders, apprehending that wheat in question was sold out in open market with difference of price, for monitory gains and restricted payment transportation of 116,583 bags besides recommended action against contractor as per clauses of agreement as well SPPRA Rules.

Therefore, I Amanullah Jumani, Deputy Director Food, Karachi Region being authority as provided under Sindh Financial Rules, Sindh Public Procurement Rules, 2010 and as per terms of agreement is satisfied that M/S Royal Traders, transport contractors is guilty of violating terms of contract, as well as instructions issued to them for un-loading specified quantity of wheat at nominated Flour Mills, shown fake transportation and managed to show heavy arrivals by selling out Govt. subsidized wheat in open market to gain monitory benefit on difference of rates and claim fake transportation charges hence pass following orders.

- (i) The aforesaid contractor is hereby black listed.
- (ii) The Security Deposit / Bid security of Rs. 50,00,000/- (Five million) submitted by the contractor vide Pay Order No. 0089146 dated 22-02-2012 is hereby forfeited to Government.
- (iii) The Contractor will have to pay Rs.200/= per bag on 116,583 bags as penalty i.e. Rs.233,16,600/= will be deducted from his pending claim of clear transportation and in case amount of penalty is less than his claim the same will be recovered from contractor.

- (iv) Further work of transportation of wheat from District Sukkur to Karachi will be done at the risk and cost of the above Firm / Transport Contractor.
- (v) The transportation charges of the contractor for the work shown to have been done are with held.  
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- (vi) In case losses are more than the pending dues of the contractor the excess amount shall be recovered from him under the Law/ Land revenue Act.
- (vii) Any other action, as and when required, shall be taken.

DEPUTY DIRECTOR FOOD  
KARACHI REGION

Copy to M/S Royal Traders, Transport Contractor, Office No. 511, 5<sup>th</sup> Floor, Hussain Trade Center, New Chali, Karachi.

Copy forwarded with compliments to :-

1. The Secretary, Government of Sindh, Food Department, Karachi.
2. The Managing Director, Sindh Public Procurement Regulatory Authority, Govt. of Sindh Karachi for kind information and necessary action.
3. The Director Food, Sindh, Karachi.
4. The Additional Director (F&A), Food Department.
5. The Vigilance officer Food.
6. The P.S to Minister Food, Sindh, Karachi.
7. The Deputy Director Food, Hyderabad, Sukkur, Larkana & Mirpurkhas.

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