



NO.F-Tender(Gen:)/2020-2021/ 402
Office of the Deputy Director Food, Hyderabad Region,
Room No.109, Ground Floor, Block-A, Shahbaz
Building, Hyderabad, Dated the 08th May, 2020

Phone / Fax: 022-9200917

READ:-

- i. Award of Contract to M/s Muhammad Azeem & Company, Transport Contractor vide Regional Food Directorate Hyderabad letter No. F-Tender (Gen)/2018-19/53 Dated: 22nd March 2018.
- ii. Execution of Contract Agreement in between District Food Controller Dadu & M/s Muhammad Azeem & Company on Dated: 2nd April 2018.
- iii. Allocation for shifting of Wheat Crop 2016-17 vide letter No. FP-1178/Desp/2018/484 dated: 10th April 2018.
- iv. Final Reconciliation statement of Wheat Crop 2016-17 dispatched from District Dadu to PRC Bolhari District Jamshoro.
- v. District Food Controller letter No. DFC/DU/2019/182 Dated: 23rd October 2019 confirming shortages on part of aforesaid contractor.
- vi. Admittance letter of M/s Muhammad Azeem & Company Dated: 23rd October 2019 which received to the Regional Directorate of Food Hyderabad on Dated: 28th October 2019.
- vii. District Food Controller Dadu letter No. DFC/DU/2019/273 Dated: 20th December 2019, along with Paid challan of Rs. 1000,000/- (One Million) Dated: 20th December 2019 on account of en-route shortages paid by the contractor .
- viii. Show Cause Notice issued to M/s Muhammad Azeem & Company vide letter No. F-Tender(Gen)/2019-20/305 Dated: 16th December 2019.
- ix. Final Show Cause Notice No. F-Tender(Gen)/2019-20/316 Dated: 02nd January 2020.
- x. Reply of Final Show Cause Notice from M/s Muhammad Azeem & Company vide letter No. DD/HYD/SC/R1/01/2020 Dated: 06th January 2020.
- xi. Report of Enquiry Committee on dated 22nd April 2020
- xii. Personal Hearing vide letter No. F-Tender(Gen)/2020-21/381 Dated: 23rd April 2020. bank instrument No 04760224 Dated 14.03.2018
- xiii. Reply Dated: 28th April 2020 of M/s Muhammad Azeem & Company.

ORDER:

Whereas, M/S Muhammad Azeem & Company, Transport Contractor (Proprietor Mr. Muhammad Azeem Arain having CNIC No. 42501-6230233-3) was inducted as Transport Contractor during Tender year 2017-18 and was awarded the Contract for Transportation of Wheat from "All PRCs/WPCs of Dadu District to Bulhari/ Kotri PRC/ Private Hired Godowns/ Mill PRCs of Jamshoro District" vide

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Regional Food Directorate Hyderabad letter of even Number 53 on Dated 22nd March 2018 (as mentioned at Sr. No. i) by the Deputy Director Food Hyderabad Region and subsequently execution of Contract Agreement was made with the District Food Controller Dadu on Dated 02nd April 2018 (as mentioned at Sr No. ii) on the agreed terms and conditions of the Contract Agreement.

Whereas, during the aforesaid contract period of year 2017-18, an allocation for shifting the quantity of 10,000 M. Tons of Wheat Crop 2016-17 from District Dadu to Bulhari PRC was made to the said contractor vide allocation letter dated 10.04.2018 (as mentioned at Sr. No iii). However, the final reconciliation (as seen at Sr. No. iv) of the above said Crop 2016-17 made between the dispatching end i.e. District Dadu and receipting end i.e. District Jamshoro, it appeared that there was a shortage/ short delivery of 2111.276 M. Tons of Wheat pertaining to crop 2016-17 at receipting end and District Food Controller Dadu confirmed shortages on the part of above said Contractor vide his letter Dated 23rd October 2019 (as mentioned at Sr. No. v)

Subsequent to such reconciliation, the contractor was immediately approached to deposit the cost of wheat stocks which reported short in the reconciliation of Crop 2016-17, wherein the contractor admitted the shortages on his part to the tune of 1820.610 M. Tons of wheat vide his letter dated 23-10-2019 (as mentioned at Sr. No. vi) and agreed to repay Government Loss at the rate of Rs. 3250/- per bag. Furtherance to such admittance, the Contractor deposited an amount of Rs. 1,000,000/- (One Million) in the Government Account vide Challan No. P-II on dated 20-12-2019 and he further undertook on a Non Judicial Stamp paper, the undertaking (as seen at Sr. No. vii).to repay the Government losses and to pay all the penalties accordingly.

On account of nonpayment of shortages of wheat in all, the proceedings were initiated by issuing the show cause notice, (as seen at Sr. No viii) and on no response, the Final Show Cause Notice was issued to the above named transportation firm vide notice No 316 on dated 2nd January 2020, (as mentioned at Sr. No ix).

The reply of the final show cause notice (as mentioned at Sr. No x) was received on dated 06th January 2020 and was thoroughly examined and as per Contractor's request an enquiry was ordered to probe the para 6 of the reply and Committee was constituted. Accordingly and the findings of the enquiry committee (as mentioned at Sr. No xi) received on dated 22nd April 2020. Whereas, the report of the enquiry committee clearly proves that the Contractor is found to be guilty of misappropriating Government wheat Stocks besides recommended to recover the Government loss from the Contractor including penalty of Rs.200 per bag and to initiate action against Contractor as per Rule.

However, another opportunity was awarded to M/S Azeem & Co. to justify his position vide letter (as referred at Sr. No. xii) but the Contractor has denied to appear, in his reply dated 28th April 2020 (as seen at Sr. xiii) which shows that the Contractor is using delaying tactics and he has no grounds to clear his position.

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Therefore by considering the gravity and importance of this issue no further date was awarded for personal Hearing and instead the side of the contractor was closed.

Therefore, I Saleemullah Siddiqui, Deputy Director Food, Hyderabad Region being Authority as provided under Sindh Financial Rules, Sindh Public procurement Rules, 2010 (Amended to date) and as per terms of Agreement am satisfied that the sufficient evidences are available on the record which proved that M/S Muhammad Azeem & Company, Transport Contractor is guilty of not securing the Government Property and misappropriated/ embezzled 2111.276 M.Tons of Government Wheat Stocks Crop 2016-17 and sustained loss to the Government; Hence pass following orders.

- I) That M/s Muhammad Azeem & Company is hereby **Blacklisted**.
- II) That the Security Deposits/ Performance Security of Rs 1,200,000/= bank instrument No 04760224 Dated 14.03.2018, Rs. 100,000/= bank instrument No 04760225 Dated 14.03.2018 and Rs 500,000/= bank instrument No 04592768 Dated 28.02.2018 is hereby forfeited to Government.
- III) That the contractor will have to pay the Government loss at prevailing market price and an additional Rs. 200/= per bag as penalty.
- IV) In case losses are more than the pending dues of the Contractor with the Food Department, the excess amount shall be recovered from him under the law/ Land Revenue Act.
- V) Any other action, as and when required, shall be taken.

**DEPUTY DIRECTOR FOOD
HYDERABAD REGION**

Copy to M/S Muhammad Azeem and Company, Transport Contractor, 35-C, First Floor, Lane-7, Bukhari Commercial, Phase VI, D.H.A. Karachi-Pakistan.

Copy Forwarded with Compliments to:-

1. The Secretary Food, Government of Sindh Food Department Karachi.
2. The Managing Director, Sindh Public Procurement Regulatory Authority Government of Sindh Karachi, for information & necessary action.
3. The Director Food Sindh Karachi for information
4. The Addl: Director Food (F&A) Food Department Karachi for information.
5. The PS to Minister Food Sind, Karachi for information.
6. The Deputy Director Food Karachi, Mirpurkhas, Shaheed Benazirabad, Sukkur and Larkana for information.
7. The District Food Controller Dadu for information. He is directed to take legal action agasint the above named transport contractor and intimate the progress to this office within 07 days positively.

**DEPUTY DIRECTOR FOOD
HYDERABAD REGION**