

**IN THE HIGH COURT OF SINDH, CIRCUIT
COURT HYDERABAD**

C.P No. D-56 of 2025

[Abdul Ghaffar v. Province of Sindh & others]

Before:

Mr. Justice Arbab Ali Hakro

Mr. Justice Riazat Ali Sahar

Petitioner	:	Abdul Ghaffar through Mr. Irfan Ali Khaskheli, Advocate
Respondents	:	Mr. Rafique Ahmed Dahri Assistant A.G. Sindh.
Date of Hearing	:	<u>18.03.2025</u>
Date of Decision	:	<u>24.04.2025</u>

JUDGMENT

RIAZAT ALI SAHAR. J., - The petitioner, who is claiming to be Government Contractor working under the name and style of “M/S AL-MEHRAN RURAL DEVELOPMENT ORGANIZATION [AMRDO]”, has invoked the constitutional jurisdiction of this Court under Article 199 of the Constitution of Islamic Republic of Pakistan, 1973 whereby he is seeking following reliefs: -

A. That, this Honorable Court may kindly be pleased to suspend the operation of the impugned Order No.SO(G)/L&F/3(240)/2018 dated 03.01.2025

passed by the respondent No.5 being illegal, unlawful, void and ab-initio with further restraining and refraining the respondents from awarding the contract/tender to any other person till final decision of this Honourable Court;

B. That, this Honorable Court may further kindly be pleased to declare the impugned Order No:SO(G)/L&F/3(240)/2018 dated 03.01.2025 as null and void and direct the respondent No.5 to restore the contract of the petition cancelled wrongfully while misusing his power and authority;

C. Costs of this constitutional petition may be saddled upon the official respondents.

D. That any other relief(s) which this Honorable Court deems fit and proper, may be awarded.

2. In his petition, the petitioner has contended that respondent No.5, through Tender Notice No.AAP/NIT SM/720/2024 dated 25.09.2024, invited bids for the Hiring of Services of Social Mobilizers for the year 2024-2025. In response, five firms, including the petitioner, submitted their bids. Upon evaluation, the petitioner was found to be fully qualified and was recommended for the award of work in the Bid Evaluation Report. Consequently, the petitioner received an offer letter bearing No.PC/AAP/WO/SM/790-92/2024 dated 29.10.2024, followed by the award of contract vide letter bearing No.PC/AAP/WO/SM/793-95/2024 dated 30.10.2024. A formal contract agreement was then executed between the petitioner and respondent No.5 on non-judicial stamp paper bearing

No.AE993527. The petitioner duly submitted the required work plan and project inception report as per the contractual obligations. The petitioner has further contended that he was shocked and dismayed, when the contract was abruptly cancelled through Order No. SO (G)/L&F/3(240)/2018 dated 03.01.2025, citing baseless allegations that the petitioner's firm [AMRDO] was inactive in Income Tax at the time of bid opening i.e. on 16.10.2024, remained non-active with the Sindh Revenue Board and lacked requisite experience. These claims are categorically denied by the petitioner, who maintains being an active and regular taxpayer with valid registrations: Sindh Sales Tax Registration No.S4124760-4 and Federal Board of Revenue Registration No.4124760. Tax records for the period 01.07.2023 to 30.06.2024 and relevant certificates, including one dated 08.01.2025, are available on record, which disprove such baseless allegations. The petitioner has further contended that the real motive behind the cancellation is to unlawfully award the contract to a favored entity, "Peace Pakistan (NGO)," which is allegedly an unregistered organization operating on fake documents, currently under enquiry before the Anti-Corruption Establishment. He has contended that how it is possible that Respondent No.5 neither verified the petitioner's credentials properly before awarding the contract and even nor conducted any inquiry prior to its arbitrary cancellation. This clearly reflects a pattern of favoritism, misuse of authority, and corrupt practices. The petitioner, a reputed and committed service provider with proven performance, has been wrongfully targeted

through false accusations and procedural irregularities. The petitioner, therefore, contended that entire act of cancellation is thus violative of fundamental principles of fairness and justice, amounting to abuse of process, and is liable to be declared illegal, void ab-initio, and unconstitutional.

3. Pursuant to Court notice, respondent No.1 filed his comments stating that the original Notice Inviting Tender (NIT) was issued under reference No. PC/AAP/NIT S.M./713/2024 dated 09.09.2024 and was duly published in leading newspapers. Subsequently, a corrigendum was issued under reference No.AAP/NIT SM/720/2024 dated 25.09.2024, extending the deadlines for the submission and opening of technical and financial proposals for the financial year 2024–2025, which was also published accordingly. He has further contended that **six firms** submitted their bids, out of which only two firms, including the petitioner, qualified as per the Technical Evaluation Report, while four were disqualified. He has admitted that the contract was awarded by the Ex-Program Coordinator; however, such award was in violation of the Sindh Public Procurement Regulatory Authority (SPPRA) Rules, 2010 (as amended from time to time), and did not fulfill the Mandatory/Technical Requirements stipulated in the bidding documents, particularly under bullet points No.6, 7, and 8. Respondent No.1 further contended that although the petitioner entered into a contract agreement, the required work plan but project inception report were not submitted to the current Program Coordinator. The subsequent cancellation of the contract was approved by the

Administrative Secretary, Livestock and Fisheries Department, Government of Sindh (respondent No.1), declaring the procurement process as *Mis-Procurement* under Rule 32(A) of the SPPRA Rules, 2010 (as amended). He has further contended that the petitioner was inactive in Income Tax at the time of technical proposal opening on 16.10.2024 and remained inactive as per the Sindh Revenue Board's (SRB) Taxpayer Online Verification as of 11.02.2025. Moreover, the petitioner failed to meet the requirement of regularly filing returns, annual for Income Tax and monthly for SRB/SST, as mandated under bullet points No.7 and 8 of the technical requirements (Income Tax returns for the last three complete years and GST/SRB returns for the last complete year). He has further contended that during the tenure of the awarded contract, which lasted two months, the petitioner failed to submit any monthly progress reports, though it was contractually obligated to submit reports for November and December 2024. Respondent No.1 also brings to the Court's attention that the petitioner, while obtaining the contract, entered into a rental agreement with a government officer — Mr. Ghulam Qadir Jamali, Assistant Director Fisheries — after the award of contract. This constitutes a clear conflict of interest and procedural impropriety. He has lastly contended that the current procurement process for the hiring of Social Mobilizers is being conducted transparently under an open competitive process in accordance with SPPRA Rules, 2010 (as amended), through the newly introduced E-Pakistan Acquisition and Disposal System (E-PADS). Therefore, there is no illegality, unlawfulness, or

unconstitutionality in the ongoing process. However, the contract earlier awarded to the petitioner by the Ex-Program Coordinator, Mr. Siraj Ahmed Solangi, is considered illegal, unlawful, unjustified, and unconstitutional.

4. Respondents No.2 and 5 have adopted the same comments as filed by respondent No.1 through statement.

5. Learned counsel for the petitioner argued that the petitioner was lawfully awarded the contract for providing Social Mobilization Services for the year 2024–2025 after participating in an open competitive bidding process initiated via Tender Notice No. AAP/NIT SM/720/2024 dated 25.09.2024. He has argued that after technical and financial evaluations, the petitioner was found qualified and duly recommended for award of work. Consequently, an offer letter dated 29.10.2024 and a contract award letter dated 30.10.2024 were issued. The contract agreement was executed, and the petitioner submitted a detailed work plan and project inception report to the respondents. He has further argued that the cancelling the contract through impugned order dated 03.01.2025 was issued without prior notice or lawful inquiry and that the reasons cited therein were false, unfounded, and served only to benefit another favored party. He has further argued that the cancellation was motivated by malafide intentions to unlawfully favor a non-registered entity, namely “Peace Pakistan (NGO),” against whom a pending inquiry is already underway before the Anti-Corruption Establishment. Learned counsel has denied the allegations that the petitioner was inactive in Income Tax or Sindh Revenue Board (SRB) at the

time of submission of technical proposals. He argued that the petitioner is a regular and active tax filer, possessing SRB Registration No.S4124760-4 and FBR Registration No.4124760. In order to demonstrate bona fide tax compliance, the learned counsel submitted through a statement dated 18.03.2025 an Acknowledgement Slip issued by the Sindh Revenue Board, that the petitioner duly filed Sales Tax Returns up to the current year. (Note: This acknowledgment slip was formally submitted for the perusal of the Court and forms part of the record). Learned counsel has further argued that the petitioner's performance has been highly praised both at local and administrative levels, and that the abrupt cancellation without any inquiry or opportunity of hearing reflects a gross abuse of process. Learned counsel emphasized that the petitioner had not committed any illegality or conflict of interest, and that the cancellation is vitiated by bias, arbitrariness, and administrative highhandedness, therefore, he prayed that the impugned order may be set-aside.

6. Learned Assistant Advocate General Sindh argued that the contract awarded to the petitioner was illegal, unauthorized, and in contravention of SPPRA Rules, 2010 (as amended). He argued that the original NIT was floated under No.PC/AAP/NIT S.M./713/2024 dated 09.09.2024, and a corrigendum was issued on 25.09.2024 and six firms submitted bids; however, only two firms, including the petitioner, were technically qualified. He further argued that the contract was unlawfully awarded by the then Ex-Program Coordinator, in violation of procurement rules and the Mandatory

Requirements/Technical Criteria, particularly bullet points No. 6, 7, and 8 of the Bidding Documents, which required valid and active Income Tax and SRB status, as well as submission of returns for the specified period. He has pointed out that at the time of technical bid opening on 16.10.2024, the petitioner was not active in the Federal Board of Revenue's records and was shown inactive in the Sindh Revenue Board, as per online verification and as of 11.02.2025, the petitioner was still not shown as active in SRB. Learned A.P.G. further argued that the petitioner failed to submit mandatory monthly progress reports for the months of November and December 2024, despite being under contractual obligation. He also argued that a clear conflict of interest arose when the petitioner entered into a rental agreement with a serving officer, Mr. Ghulam Qadir Jamali, Assistant Director, Fisheries, after award of the contract. He maintained that the cancellation of the contract was duly approved by the Administrative Secretary, Livestock and Fisheries Department, Government of Sindh, and was declared a case of mis-procurement under Rule 32(A) of the SPPRA Rules. He has expressed that the procurement process is now being properly conducted through the newly introduced E-Pakistan Acquisition and Disposal System (E-PADS) under applicable rules, and therefore, the impugned cancellation was justified and legal.

7. We have heard the learned counsel for the petitioner, learned A.A.G. Sindh for the respondents and perused the material available on record very carefully.

8. Record reflects that Respondent No.5 issued Tender Notice on 25.09.2024 for hiring Social Mobilizers for 2024–2025 and the petitioner, among bidders, was found fully qualified and was awarded the contract through letters dated 29.10.2024 and 30.10.2024. Pursuant to award of contract, a formal agreement was also executed, and the petitioner complied with all contractual obligations. However, such contract was abruptly cancelled on allegations that the petitioner's firm was inactive in tax records and lacked experience. The petitioner, however, termed such cancellation to benefit and favor an unregistered entity, "Peace Pakistan (NGO)". In the circumstances, the actions of the respondents, particularly respondent No. 5, appear to be actuated by *mala fide* intentions, reflecting an apparent disregard for the fundamental principles of transparency, fairness and adherence to due process of law. These principles are the very bedrock of any lawful administrative action and are essential in maintaining public trust in the integrity of governance and legal processes. The petitioner, having lawfully been awarded the contract after fulfilling all necessary formalities, including submitting the requisite documentation and executing a binding agreement, was in a legally secure and protected position. The sudden and arbitrary attempt to oust the petitioner from his rights under the contract without affording due process or a thorough and impartial verification of facts is a clear violation of established legal norms and is inherently unfair.

9. The principle of fairness, which mandates that no party should be deprived of their rights without a fair opportunity

to be heard (*audi alteram partem*) and the facts properly examined, has been utterly ignored in this case. The petitioner, who acted in good faith and fulfilled all contractual obligations, is now being subjected to a process that lacks the most basic elements of procedural justice. To remove the petitioner from his position without due verification, and under the guise of unfounded tax irregularities, constitutes an arbitrary decision that undermines the integrity of the legal system. The allegations of non-compliance, which form the foundation of the respondents' action, are not only baseless but also disproven by the documentation and evidence presented by the petitioner, including tax compliance certificates, official acknowledgments, and other relevant records. These records clearly demonstrate that the petitioner adhered to all necessary legal requirements, thus nullifying the respondents' claims and revealing the *mala fide* nature of the action taken against him specially when the contract was awarded to the petitioner which certainly can only be awarded after fulfillment of all legal formalities. Furthermore, the subsequent hasty decision to award the contract to another entity, if any, whose credentials remain highly questionable and whose qualifications, as alleged, are yet to be properly scrutinized, raises serious concerns about favoritism, conflict of interest and abuse of power. Such a swift and opaque transfer of the contract, in the absence of any legitimate justification, not only casts doubt on the legality of the action but also raises grave concerns about the intentions behind the respondents' conduct. *Prima facie*, the petitioner's allegations of favoritism are

substantiated by the respondents' unexplained actions, which appear designed to bypass fair competition and due diligence in favor of awarding the contract to an entity with dubious credentials. This not only undermines the public procurement process but also fosters an environment of corruption and lack of accountability within the administrative framework. Even in order to demonstrate bona fide tax compliance, the learned counsel submitted, through a statement dated 18.03.2025, an Acknowledgement Slip issued by the Sindh Revenue Board, confirming that the petitioner has duly filed Sales Tax Returns up to the current year. This acknowledgment slip was formally submitted for the perusal of the Court and is now part of the record.

10. For what has been discussed above, the impugned order dated 03.01.2025 is found to be without lawful authority, unjustified and illegal, as it disregards the principles of transparency, fairness and the rights of the petitioner under the law. The order, by attempting to annul the contract without due process and based on allegations that have no foundation in fact, is not just legally flawed but also constitutionally unsound. Therefore, impugned order dated 01.01.2025 is hereby **set aside** with immediate effect and the respondents are ordered to restore the petitioner to his original position under the contract without further delay. The petitioner's rights under the contract must be fully respected and any future attempts to undermine those rights through arbitrary or unlawful means would only serve to perpetuate injustice. Moreover, it is imperative that the

respondents refrain from taking any further adverse action against the petitioner without affording him a fair opportunity to be heard. The principles of due process require that any action which could affect the legal rights of a party must be preceded by a fair hearing, where all relevant facts are considered and the party affected is given a reasonable chance to present their case. Failure thereof would not only be a violation of the petitioner's rights but would also be a breach of the fundamental principles of justice and fairness that are essential to the rule of law. In this context, it is further ordered that the respondents follow the appropriate legal procedures, ensuring that the petitioner's rights are fully protected and that no adverse action is taken against him without due consideration of all relevant facts.

11. In light of the above, the respondents are reminded of their duty to act with transparency, fairness, and integrity, in full compliance with the law and to exercise their powers in a manner that does not infringe upon the rights of others or contravene the principles of justice. Their actions, particularly those taken against the petitioner, represent a serious lapse in administrative conduct and a failure to uphold the core principles of law. The swift and unjustifiable revocation of the petitioner's contract and the subsequent haste attempt in awarding it to another entity without proper scrutiny is a grave error that must be corrected. The respondents are further instructed to act in accordance with established legal standards, ensure due diligence in all future decisions and restore public confidence in the integrity of the administrative and legal processes. To summarize, the

respondents' actions are not only unlawful but are also contrary to the very essence of justice, fairness and the rule of law. The petitioner is entitled to be restored to his original position without any further delay, and the respondents are legally bound to ensure that no further adverse actions are taken against him without a fair and just hearing. In the event that any similar issues arise in the future, the respondents must act with complete transparency and fairness, adhering to the principles of due process and avoiding any actions that could potentially infringe upon the petitioner's lawful rights. The impugned order, therefore, stands invalid, and the petitioner's rights must be fully reinstated.

12. Instant petition stands **allowed** in the above terms.

JUDGE

JUDGE

Abdullahchanna/PS