



**BEFORE THE
MONOPOLY CONTROL AUTHORITY
IN THE MATTER OF
M/s. Crescent Commercial Bank Limited
&
M/s. Zahoor Textile Mills Limited
(File No. 192/(RO-II)/R&I/MCA/2004)**

ORDER

1. M/s. Crescent Commercial Bank Limited, engaged in commercial banking activities under the authority of the license granted by the State Bank of Pakistan, is an undertaking (hereinafter referred to as the 'undertaking') as defined under Section 2(1)(m) of the Monopolies and Restrictive Trade Practices (Control & Prevention) Ordinance 1970 (hereinafter referred to as the 'Ordinance').
2. M/s Zahoor Textile Mills Limited engaged in the textile business in Pakistan, is also an undertaking and associated undertaking of the undertaking as defined under Section 2(1)(b) of the Ordinance (hereinafter referred to as the 'associated undertaking').
3. The undertaking granted interest free loan amounting to Rs 35.00 million to its associated undertaking during the year ended in 2004, as per its annual audited accounts for the year ended in 2004 and the information supplied under the Monopoly Control Authority (Supply of Information) Rules, 1995 (hereinafter referred to as the "Rules") for that year.
4. The undertaking and the associated undertaking were, therefore, served Show Cause Notices No 17 & 18 of 2005-06 dated September 29, 2005 respectively. They were required to respond to the Show Cause Notices in writing by October 17, 2005.

5. In response to the Show Cause Notice the undertaking vide its letter dated October 14, 2005 submitted that it had not extended an interest free loan facility of Rs 35.00 million to M/s. Zahoor Textile Mills Limited during the year 2004 as stated in the notice. However, the facility in question aggregates Rs 35.388 million as on September 30, 2004 which is the composite figure of two facilities sanctioned in the year 1999 and 2002 payable over a period of three years and one year respectively with a mark up rate of 15.50% & 16% per annum. These facilities were not paid as per schedule and got stuck.

6. The undertaking also submitted that it had filed a recovery suit against M/s. Zahoor Textile Mills Limited of Rs 43.018 million in the Banking Court on 26-6-2003, which is pending adjudication. It requested for withdrawal of the Show Cause Notices.

7. The associated undertaking, M/s. Zahoor Textile Mills Ltd, did not respond to the Show Cause Notice.

8. The Authority, after considering the facts of the case, decided to vacate the Show Cause Notices No 17 & 18 of 2005-06 dated September 29, 2006 served on M/s. Crescent Commercial Bank Limited and M/s. Zahoor Textile Mills Limited respectively.

-Sd-
(Khalid A. Mirza)
Chairman

-Sd-
(Raja Raza Arshad)
Member

-Sd-
(Abdul Ghaffar)
Member

Islamabad the January ,2007