



**BEFORE THE
MONOPOLY CONTROL AUTHORITY
IN THE MATTER OF
M/s. Lisko Pakistan (Pvt) Limited
(File No. 651/R/Agr/MCA/ 2006)**

Present:

Mr. Khalid A. Mirza
Chairman

Raja Raza Arshad
Member

Abdul Ghaffar
Member

Date of hearing:

January 22, 2007

Present for the Respondent:

Mr. Khalid Mahmood

ORDER

1. M/s. Lisko Pakistan (Pvt) Limited, engaged in the business of manufacture and sale of pharmaceutical products, 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. The undertaking was asked by Monopoly Control Authority (hereinafter referred to as the 'Authority') vide letter dated March 24, 2006 to apply for registration of its Standard Distributorship Agreement under Section 16(1)(k)(i) of the Ordinance but it failed to do so. The undertaking was reminded vide letters dated May 02 & 29, 2006, in response thereof, the undertaking submitted a copy of its annual audited accounts for the year ended June 30, 2005 and contended that:

“as per SRO 163(RE) 91 dated 24-7-1991 for the purpose of clause (a) of Section 4 of the Monopolies and Restrictive Trade Practices (Control & Prevention) Ordinance 1970 (V of 1970), the amount of the total assets shall be not less than one hundred fifty million rupees

Since the value of our assets are much less than the requirement of registration, it is therefore, we anticipate that we cannot be registered with MCA as per prevailing law.”

3. The position was clarified to the undertaking vide letter dated June 17, 2006 stating that the SRO, referred to above, pertains to private limited companies which are required to be converted into public limited companies and not for the purpose of registration of undertakings and agreements under Section 16 of the Ordinance. It was also asked to apply for registration of its agreement but it failed to apply for registration. The undertaking was reminded vide letters dated July 21 and September 7, 2006 but it neither applied for registration nor responded to the Authority's letters.

4. The undertaking was, therefore, served Show Cause Notice No 07 of 2006-07 dated 7-11-06 to show cause in writing as to why appropriate action under Section 19 of the Ordinance may not be taken against it. It was required to respond to the Show Cause Notice by November 22, 2006.

5. The undertaking applied for registration of its Standard Distributorship Agreement vide letter dated November 14, 2006 and the agreement was registered vide Registration No 651/Argr/MCA/2006 dated November 21, 2006 and Certificate of Registration was dispatched to the undertaking vide Authority's letter dated November 22, 2006.

6. For disposal of Show Cause Notice, the matter was fixed by the Authority for hearing on 22-1-2007 at Karachi vide hearing notice dated January 13, 2007.

7. On the date of hearing Mr. Khalid Mahmood appeared before the Authority as an authorized representative of the undertaking and argued the case. He submitted that due to some misunderstanding the undertaking could not apply for registration of its agreement in response to the Authority's letters but it applied for registration after receipt of Show Cause Notice. He regretted for late registration of the agreement and also requested for withdrawal of the Show Cause Notice.

8. The Authority after considering the facts of the case, submissions of the representative of the undertaking and the fact that the undertaking applied for registration of its Agreement and appeared before the Authority with clean hands, decided to vacate Show Cause Notice No 07 of 2006-07 dated November 7, 2006 served on it.

-Sd-
(Khalid A. Mirza)
Chairman

-Sd-
(Raja Raza Arshad)
Member

-Sd-
(Abdul Ghaffar)
Member

Islamabad the January , 2007