



**BEFORE THE
MONOPOLY CONTROL AUTHORITY
IN THE MATTER OF
M/s. Siza International (Pvt) Limited
(File No.1 (75)/AR/AGR/MCA/2005)**

Present:

Mr. Khalid A. Mirza
Chairman

Abdul Ghaffar
Member

Date of hearing:

December 5, 2006

Present for the Respondent:

Mr. Navid Ashiq Alvi,
Advocate

ORDER

1. M/s. Siza International (Pvt) Limited , engaged in the manufacture 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’). The undertaking was asked by Monopoly Control Authority (hereinafter referred to as the ‘Authority’), to apply for registration of its Standard Distributionship Agreement, under Section 16(1)(k)(i) of the Ordinance, due to limiting the area of the distributors, vide letter dated December 31, 2005 but it failed to do so. The undertaking was reminded vide letters dated January 24 and February 20, 2006 but it again failed to respond to the Authority’s letters or to apply for registration. The undertaking was, therefore, served Show Cause Notice No.69 of 2005-06 dated April 01, 2006 under section 19 of the Ordinance. In response to the Show Cause Notice the undertaking vide its letter dated April 15, 2006 stated that it had not entered into any distribution agreement with any firm/company. Moreover, it does not place any restrictions on its customers in terms of products and area and the enterprises are at liberty to sell its manufactured products to any body, any where in Pakistan. It further stated that in its understanding it does not require any sort of registration under Section 16(1)(k)(i) of the Ordinance. It may be mentioned

that the distribution agreement provided by the undertaking vide its letter dated December 20, 2005, it limits the area of the distributors and they are also restricted to sell its goods to customers only in that area. The Standard Distribution Agreement is, therefore, liable for registration under Section 16(1)(k)(i) of the Ordinance.

2. For disposal of the Show Cause Notice the Authority fixed the matter for hearing on December 5, 2006 at Lahore vide hearing notice dated November 17, 2006.

3. On the date of hearing Mr. Navid Ashiq Alvi, Advocate and counsel of the undertaking submitted, vide his letter presented by his Assistant to the Authority that he has been engaged in the case and in order to assist the Authority he needs to inspect the files. He prayed that the matter may be adjourned for another date convenient to the Authority. The Authority adjourned the matter for 1.00.p.m. and directed the assistant of the counsel that the counsel should appear before it by that time

4. At 1.00.p.m, the counsel of the undertaking appeared before the Authority and argued the case. He requested for adjournment of the matter. The Authority pointed out that the hearing notice was dispatched to the undertaking on November 17, 2006 but it received a request for adjournment on the date of hearing which is not justified. The counsel regretted and advised that registration of distribution agreement will be arranged by December 12, 2006.

5. The Authority, after considering the facts of the case and submissions of the counsel of the undertaking the Authority concluded the default of the undertaking as willful and imposed a penalty of Rs 100,000/- on it. The undertaking is required to deposit the penalty under the relevant head of account and to furnish original paid challan to the Authority within fifteen days from the date of receipt of the Order. The undertaking is also required to apply for registration of its Standard Distribution Agreement by that time frame. In case of failure, action shall be initiated against the undertaking under sub-section (2) of Section 19 of the Ordinance.

-Sd-
(Khalid A. Mirza)
Chairman

-Sd-
(Abdul Ghaffar)
Member

Islamabad the December ,2006