



**BEFORE THE
MONOPOLY CONTROL AUTHORITY**

**IN THE MATTER OF
M/s. Al-Abbas Sugar Mills Ltd
(File No.3 (32)/REG/MCA/06)**

Present:	Syed Bilal Ahmed Chairman
	Raja Raza Arshad Member
Date of hearing:	June 29, 2006
Present for the Respondent:	Muhammad Suleman Kanjiani Company Secretary

ORDER

M/s. Al-Abbas Sugar Mills Limited (hereinafter referred to as the ‘undertaking’), was directed by the Monopoly Control Authority (hereinafter referred to as the ‘Authority’), vide its Order, dated May 10, 2006 (hereinafter referred to as the ‘Order’), to release 8.33% of its production every month, commencing from October 2005. The undertaking was, therefore, required to release 58.31% of its production by April 30, 2006 (8.33% x 7 months). Instead it released 40.64% which was 17.67 % less than the prescribed percentage and thus it did not comply with the Order of the Authority.

2. The Authority, therefore, issued Hearing Notice to the undertaking on June 17, 2006, under Section 19 of the Monopolies and Restrictive Trade Practices (Control & Prevention) Ordinance 1970 (hereinafter referred to as the ‘Ordinance’), to show cause as to why appropriate action under Section 19 of the Ordinance may not be taken against it.

3. On the date of hearing, Muhammad Suleman Kanjiani, appeared before the Authority, as an authorized representative and argued the case. He submitted that the undertaking started crushing in November 2005 and thus its sugar year may be considered as November – October. He further submitted that the undertaking released 55.63%, which is above the required percentage @ 8.33% from November 2005 to April 2006 i.e. 49.9% of production. As per PSMA's statement, the undertaking had a "carry over" stock of 51 tons from the previous year. The Authority, therefore, decided that it should have released its stock @ 8.33% per month from October 2005 onwards. It should have released 58.31% till end April 2006 (8.33% x 7 months). The undertaking, however, released 40.64 % only. The undertaking continued to indulge in restrictive trade practices. Lifting of sugar upto May 31, 2006 and June 15, 2006, as per undertaking's own data, was only 56.38 % and 58.93 % against the monthly percentages of 66.64 and 70.80, respectively.

4. The Authority, after considering the facts of the case and submissions of the authorized representative of the undertaking, decided, in terms of powers vested under Section 19 of the Ordinance, to impose a penalty of Rs 100,000 (Rupees One Hundred Thousand), which shall be deposited under the relevant head of account within 7 days from the date of receipt of this Order.

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(Syed Bilal Ahmed)
Chairman

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(Raja Raza Arshad)
Member

(SEAL OF THE AUTHORITY)

Islamabad, 17th July , 2006