



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF TRADE ORGANISATIONS
(Office of Regulator of Trade Organisations)
MINISTRY OF COMMERCE
State Life Building No. 7, 2nd Floor,
Blue Area, Islamabad



F. No. 7(1)/2013-TO

Islamabad, the August 5, 2013

ORDER IN ORIGINAL NO. 04/2013

Passed by Javed-ul-Hassan Qureshi, Regulator of Trade Organizations

NB: Section 21, Sub-Section 2 of Trade Organizations Act, 2013 stipulates that any person or trade organisation aggrieved by any decision or order of the Regulator may, within fourteen days of communication of such decision or order, prefer appeal to the Federal Government whose decision, subject to sub-section (4), shall be final.

Mr. Amir Riaz Bhinder & Others

Versus

Surgical Instrument Manufacturers Association of Pakistan, Sialkot

Present in the hearing on 24-06-2013:

- | | | |
|---|--|-------------------|
| i) Mr. Amir Riaz Bhinder, Former Chairman SIMAP (2006-07) | |Complainants |
| ii) Mr. Sarfraz A. Chaudhary, Former Chairman SIMAP (2008-09) | | |
| iii) Engr. Zafaryab Ali Shah, Member Executive Committee & Former Sr. Vice Chairman SIMAP | | |
| i) Mr. Muhammad Amjad, Secretary General, SIMAP | |Respondents |
| ii) Mr. Ibtisam Rashid Mirza, Counsel for SIMAP | | |

Date of Hearing: **24-06-2013**

Place of Hearing: **OFFICE OF REGULATOR OF TRADE ORGANIZATIONS
DIRECTORATE GENERAL OF TRADE ORGANIZATIONS,
STATE LIFE BUILDING NO. 7, 2ND FLOOR, BLUE AREA,
ISLAMABAD.**

Date of issuance of Order: **05-08-2013**

By this Order, I intend to dispose of the complaints filed by M/s Sarfraz A. Chaudhary, Amir Riaz Bhinder, Engr. Zafaryab Ali Shah, Nasar Iqbal Malik, Dr. Usman Ahmad and Abdul Haleem against Surgical Instrument Manufacturers Association of Pakistan, [hereinafter referred to as “the Association”].

Brief Facts:

2. Complaints were filed against Surgical Instrument Manufacturers Association of Pakistan (SIMAP) in the Office of the Regulator of Trade Organisations by M/s Sarfraz A. Chaudhary, Amir Riaz Bhinder, Engr. Zafaryab Ali Shah, Nasar Iqbal Malik, Dr. Usman Ahmad and Abdul Haleem alleging therein as under:-

- A. Serious financial mismanagement of funds that included:-
 - i. Payments made through cash which should have been made through cheques;
 - ii. Prize bonds of Rs.2 Millions purchased by SIMAP were found missing;
 - iii. Rs. 4 Million drawn from Habib Bank and deposited in Al-Burj Bank to secure a job for a relative of the Chairman;
- B. Appointments of Management Staff in contravention of Rules;
- C. Failure to hold Executive Committee Meetings for last consecutive 5 months;
- D. Improper use of SIMAP Funds;
- E. Discriminatory treatment meted out to members of the Association in selecting delegations to represent the Association in international trade fairs;
- F. Victimization of members and vindictive treatment to members for voicing their grievances and charges against corrupt practices by the office bearers; and
- G. Shady dealings in various projects of the Association including purchase of machinery and land for MIDC Uplifting Project.

3. In order to dispose of complaints in equitable and justiciable manner, a proper hearing was afforded to parties on 24-06-2013 which was attended by M/s Sarfraz A. Chaudhary, Amir Riaz Bhinder, Engr. Zafaryab Ali Shah from the complainants' side whereas the Association was represented by its Secretary General alongwith a counsel, Mr. Ibtisam Rashid Mirza.

4. During the course of personal hearing, the complainants submitted a representation bearing signatures of 268 members of the Association demanding

supersession of Executive Committee of the Association and appointment of an Administrator to ensure free, fair and transparent accountability as well as conduct of elections, 2013-14. In view of the sensitivity of the matter, a fact finding inquiry was ordered by this Office in exercise of powers under clause (a) &(b) of sub-section 3 of Section 14 of Trade Organisations Act, 2013 which was conducted in the Office of the Association on 12-07-2013 by two officers of the DGTO Office.

ORDER

5. The inquiry team examined the record of the Association in the light of allegations leveled against the Association's Management, followed by a personal hearing attended by 13 members of the Association including the complainants. Secretary General and Chairman of the Association were also present to answer queries by the Inquiry Team. The Inquiry Team submitted the report which essentially substantiated the allegations leveled by the complainants. In the light of the report submitted by the Inquiry Team and keeping in view the attending circumstances, I am constrained to use my powers vested in sub-section (1) and sub-section 3 (g) of Section 14 of Trade Organisations Act, 2013 and take the following decisions for the just adjudication of the lis:-

- i. Election Schedule and the Election Commission notified by the Association vide its letter No. SIMAP/33-09, dated 04-07-2013 are hereby declared as null and void and of no legal effect. The Association will reconstitute the Election Commission comprising non-partisan members and a fresh election schedule shall also be issued within 05 days of the issuance of this order.
- ii. It is observed that the appointments of Mr. Muhammad Amjad and Mr. Saad Bhatti as Secretary General and Assistant Secretary respectively, were made in gross violation of Trade Organisations Rules. After appointment as such they neither enjoyed good reputation nor confidence of the majority of members of the Association. Over and above, the Inquiry Team has observed that their continuation in service shall further deteriorate the functioning of the Association. With this backdrop in mind, their services are terminated with immediate effect in the larger interest of the Association.
- iii. In order to ensure that election process of the Association is not disturbed,

as an interim measure Mr. Ali Tamkeen Butt, Assistant Director TDAP, Sialkot is assigned with the task to perform as Secretary General of the Association besides his present assignment as Assistant Director TDAP, Sialkot. He shall be entitled to draw remuneration from SIMAP Funds, equivalent to that of the outgoing Secretary General.

- iv. All accounts of the Association shall be audited by an impartial and well reputed chartered accountancy firm to be decided by the office of the Regulator of Trade Organisations from a panel of firms to be forwarded by the Association within 15 days of the order.
 - v. The Association shall formulate its Human Resource Policy forthwith and make fresh appointments through Human Resource Committee in accordance with the provisions of Trade Organisations Act & Rules, 2013, Companies Ordinance, 1984 and M&AoA of the Association.
 - vi. In future, meetings of the Executive Committee shall be convened regularly in accordance with the provisions of M&AoA of the Association and Companies Ordinance, 1984.
 - vii. Powers of Chairman and other office bearers with respect to expenditures out of 7-Element Fund may be specifically defined and the same shall be subject to approval by the Executive Committee..
 - viii. Expenditures sanctioned by the Chairman beyond Rs.5000/- so far shall be placed before the Executive Committee for approval.
 - ix. The Association shall formulate a procurement policy and by-laws and adhere strictly thereto for transparency.
 - x. Lists of eligible voters shall be provided to the office of the Regulator of Trade Organisations as well as members of the Association within 03 days positively.
6. Surgical Instrument Manufacturers Association of Pakistan will implement the subject order and submit the compliance report within 05 days.

(Javed-ul-Hassan Qureshi)
Regulator (TO)

Announced: Dated, 05-08-2013

Copy for information and necessary action is forwarded to:-

1. Staff Officer to Secretary Commerce, A-Block, Pak Secretariat, Islamabad
2. Chief Secretary, Punjab, Civil Secretariat, Lahore
3. Additional Secretary-I, Ministry of Commerce, A-Block, Pak Secretariat, Islamabad
4. Executive Director General (DC&TP), Ministry of Commerce, A-Block, Pak Secretariat, Islamabad
5. Chief Executive, Trade Development Authority of Pakistan, 3rd Floor, Block A, Finance & Trade Centre P.O. Box No. 1293, Shahrah-e-Faisal, Karachi 75200 Pakistan
6. Chairperson Technical Education and Vocational Training Authority, TEVTA Secretariat, 96-H, Gulberg Road, Lahore.
7. President FPCC&I, Federation House, Main Clifton, Karachi, Pakistan
8. Mr. Bilal Tanveer, Chairman, Surgical Instrument Manufacturers Association of Pakistan (SIMAP), Near Sublime Chowk, Marala Road, Sialkot
9. Director General, Trade Development Authority of Pakistan, 62 Garden Block, Garden Town, Lahore
10. Director, TDAP, Muslim Colony, Gohadpur Road, Sialkot
11. Mr. Ali Tamkin Butt, Assistant Director TDAP Muslim Colony, Gohadpur Road, Sialkot with the directions to take charge as secretary General SIMAP, Sialkot with immediate effect.

(Rizwan-ul-Haq)
Deputy Director