

**Appellate Bench Orders**  
**Order in the matter of Appeal No. 7 of 2001.**

**Before Appellate Bench No. 1**

**In the Matter of**

**Appeal No. 7 of 2001**

**ORDER**

After the hearing held on *29 May 2001* the case was adjourned to *11 June, 2001* which was subsequently refixed for *20 June, 2001* and then again refixed to be heard on *11 July, 2001*.

On *11 July 2001*, Mr. Yahya Afridi, Advocate for the Appellant, attended. Ms. Irum W. Butt, Director (Leasing) represented the respondent.

The Advocate for the Appellant provided spiral-bound papers titled “record relating to ongoing negotiations” of the Appellant Company and Asset Investment Bank Ltd with local companies/investors. The Advocate of the Appellant Company referred in particular to the correspondence with Capital Assets Leasing Corporation Limited (CALC) and reiterated that crucial negotiations with them would be marred if the impugned order for the conduct of an investigation is maintained. He also contended that the parameters of the show cause notice issued by the Respondent and the impugned order are substantially similar.

However, the representative of the Respondent urged that the parameters out-lined in the impugned order referred to matters that are not covered by the special audit and, therefore, it is imperative to allow conduct of investigation under section 265(b) of the Companies Ordinance, 1984. The Advocate for the Appellant refuted this view point and maintained that all the matters referred to in the impugned order have been adequately dealt with in the special audit report rendering any ‘investigation’ futile and counter productive especially in view of the prospective acquisition by CALC. He further stated that due diligence required to be undertaken by Ford, Rhodes, Robson and Morrow, Chartered Accountants, under the Memorandum of Understanding with the CALC comprehensively deals with all matters relating to the financial health and management of the company and encompasses the matters sought to be investigated by the Respondent.

Case was adjourned to *18 July 2001* at 10.30 a.m. so that Director (Leasing) carries out an in-depth analyses of the special audit report in relation to matters that are sought to be investigated as detailed in the impugned order. Status quo be maintained till next date of hearing.

**(N.K. SHAHANI)**  
Commissioner

**(ZAFAR-UL-HAQ HIJAZI)**  
Commissioner