



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department-I

Adjudication Division

Before

**Shahzad Afzal Khan, Director/ Head of Department
(Adjudication Department-I)**

In the matter of

Saudi Pak Leasing Company Limited

Show Cause Notice No. & Issue Date:	Ref: 2(428)SMD/Adj-I/2023-47 dated July 13, 2023
Date of Hearing:	April 25, 2024
Present at the Hearing Representing the Respondent	1. Syed Najamul Hasnain Kazmi, Chairman Board; 2. Mr. Niaz Ahmed Khan, Chief Executive Officer; 3. Mr. Muhammad Imtiaz Ali, Company Secretary; and 4. Mr. Muhammad Zahur, CFO (Authorized Representatives)

ORDER

Under Section 126 of the Securities Act, 2015.

This order shall dispose of the proceedings initiated through the Show Cause Notice bearing Ref: 2(428)SMD/Adj-I/2023-47 dated July 13, 2023 (the SCN) issued Under Section 126 of the Securities Act, 2015. (the Act) against Saudi Pak Leasing Company Limited, hereinafter referred to as (the Respondent/Target Company).

2. The Ansari Brother (Pvt.) Limited (the Acquirer) made Public Announcement of Intention (PAI) dated December 5, 2022, through Adam Securities Limited, Manager to Offer (MTO) in the matter of Target Company in terms of regulation 6 of the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017 (the Takeover Regulations), wherein, the Acquirer intended to acquire 35.06% of the total ordinary shares and 63.08% of the total non-voting, non-cumulative, convertible, unlisted redeemable unlisted preference shares of the Target Company.

3. The Target Company in terms of regulations 5(1) and 5(2) of the Takeover Regulations was required to make immediate disclosures in writing to the Securities Exchange (SE) and the Securities and Exchange Commission of Pakistan (the Commission) containing the information as prescribed in Schedule V of the Takeover Regulations, when a firm intention was notified to the Target Company. However, the Target Company did not comply with the aforesaid requirements of the Takeover Regulations subsequent to PAI dated December 5, 2022 rather it only posted the PAI on SE i.e. Pakistan Stock Exchange (PSX) on December 7, 2022.

4. In view the foregoing, the Target Company *prima facie* failed to comply with the requirements of regulations 5(1)(a) and 5(2) of the Takeover Regulations, which attracts the applicability of Section 126(3)(c) of the Act. Therefore, the SCN was issued to the Respondent through its Chief Executive Officer.



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5. In response to the SCN, the Target Company through its letter dated July 24, 2023, submitted the following:

".....In this context, it is submitted that the desired information as prescribed in SCHEDULE-V of the Disclosure under 'Take-over Regulation' mentioned in the paras- a toe was 'NOT APPLICABLE' to SPLC. Whereas, the information desired in the concluding Para of said SCHEDULE-V & applicable in our case was submitted in detail vide our letter dated December 20, 2022 which is acknowledged by you through your letter under reference. However, for your satisfaction, to safeguard the interest of the shareholders and to avoid any future complication SCHEDULE-V duly completed stamped/signed is attached for your kind information and for ready reference).

Further, we would like to point out that as per condition of the REGULATIONS, immediate disclosure was made on PSX website through PUCAR; for the knowledge of the general public and to house of exchange and occurrence of some delay in submitting the desired information to SECP under Regulation-5 (1) & 5(2) of the Disclosure under 'Takeover Regulation' was regretted in our previous correspondence mentioned ibid. We once again deeply regret this delay and humbly request the SECP to condone it. "

6. In order to provide the Respondent an opportunity of personal representation, hearing in the matter was fixed for April 04, 2024, however, on the request of Respondent vide letter dated April 02, 2024 hearing was rescheduled for April 25, 2024, wherein Syed Najmul Hasnain Kazmi, Chairman Board, Mr. Niaz Ahmed Khan, Chief Executive Officer; Mr. Muhammad Zahur, CFO; and Mr. Muhammad Imtiaz Ali, Company Secretary appeared as the Authorized Representatives of the Respondent (**the Representatives**). During the hearing, the Representatives were advised to explain the reasons for the alleged non-compliance, as narrated in the SCN. The Representatives reiterated the response as provided through their letter dated July 25, 2023 and admitted the default.

7. In view of the aforementioned stance of the Respondent, I have the following question posed before me to take a decision in the matter:

- 1) **What is the requirement of law in terms of Regulation 5(1)(a) and 5(2) of the Regulations read with Section 126(3)(c) of Act?**

It is pertinent to understand that regulation 5(1)(a) of the Takeover Regulations explicitly provides that a target company shall immediately, in writing, inform the SE and the Commission, of a firm intention to acquire control or voting shares of the target company, beyond the limits prescribed in Section 111 of the Act is notified to the target company and regulation 5(2) of the Takeover Regulations provides that the above disclosure shall contain the as prescribed in Schedule V thereof. However, in the instant matter, the Respondent failed comply with the aforesaid requirement of law by only posting the PAI on PSX on December 07, 2023 and did not disclose the same to the Commission. The Respondent and its Representatives in written response to the SCN and during the hearing also accepted this fact and requested to condone the inadvertent mistake. Thus, establishing the non-compliance thereof.

8. In view of forgoing, considering the written and verbal submissions made by the Respondent and its Representatives through written reply to the SCN and during the hearing; and available record with this office in light of the applicable provision of law; the Target Company failed to comply with the requirements of regulations 5(1)(a), and 5(2) of the Takeover Regulations, thus establishing the



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default/contraventions thereof, which attracts the applicability of Section 126 (3)(c) of the Act. Therefore, in exercise of powers conferred under Section 126(3)(c) of the Act, I hereby conclude the proceedings initiated through the SCN by imposing a penalty of **Rs. 50,000 (Rupees Fifty Thousand only)** on the Target Company/Respondent. The Respondent is also advised to ensure meticulous compliance with all applicable laws in true letter and spirit, henceforth.

9. The Respondent is hereby directed to deposit the aforesaid fine in the designated bank account maintained in the name of the Securities and Exchange Commission of Pakistan with MCB Bank Limited or United Bank Limited within thirty (30) days from the date of this Order and furnish receipted voucher issued in the name of the Commission for information and record.

10. This Order is issued without prejudice to any other action that the Commission may initiate against the Respondents in accordance with the law(s) on matter subsequently investigated or otherwise brought to the knowledge of the Commission.

(Shahzad Afzal Khan)
Director / Head of Department
Adjudication -1 Department

Announced:

May 24, 2024
Islamabad.