

March 21,1999 Securities and Exchange Commission of Pakistan issues show-cause notice to Dadabhoy Leasing Company, Limited and its Chief Executive for violation of provisions of various laws

Enforcement and Monitoring Division of the SECP has issued a show-cause notice to Dadabhoy Leasing Company, Limited (DLCL) and its Chief Executive for failure to adhere to the provisions of Companies Ordinance, 1984, Leasing Companies (Establishment and Regulations) Rules, 1996 and Prudential Regulations. Besides noticing irresponsible behaviour of the company in not holding Annual General Meeting (AGM) within the prescribed time and failure to submit certain statutory documents, the SECP had also received complaints from certain shareholders reporting that DLCL had failed to disburse dividend for the year ended June 30, 1997 which had earlier been announced. Despite reminders from SECP the Chief Executive of the company failed to discharge his obligations as stipulated in section 251 of the Companies Ordinance, 1984.

The company had failed to submit half yearly accounts and hold Annual General Meeting for the year ended June 30, 1998. It also ignored to file form-A despite having knowledge of the directive issued by the CLA in this regard under section 176 of the Ordinance. Non payment of dividend, non submission of half yearly accounts and failure to hold AGM, etc. are considered serious offenses under the law. Maximum penalty up to Rs. 2 million and imprisonment up to two years have been prescribed under the law for such offenses besides rendering the Chief Executive ineligible to hold that position, in any other listed company, for a term of five years. The Chief Executive and the company are required to submit explanation latest by April 15, 1999.