



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department- I

Adjudication Division

Say No to Corruption

Through Courier

Ref: 2(428)SMD/Adj-I/2023 - 47

July 13, 2023

Saudi Pak Leasing Company Limited,
(Through its Chief Executive Officer),
6th Floor, Lakson Square, Building No. 1,
Sarwar Shaheed Road, Saddar,
Karachi.

Haider :
- RB inform all
directors of SAPICO.
Alam
17/7/23

SUBJECT: SHOW CAUSE NOTICE UNDER SECTION 126 OF THE SECURITIES ACT, 2015

WHEREAS, 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 Saudi Pak Leasing Company Limited (**the 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.

2. **AND WHEREAS**, in terms of regulations 5(1)(a) and regulation 5(2) of the Takeover Regulations, the Target Company is 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 is notified to the Target Company. However, it was observed that the Target Company did not comply with the aforesaid requirements of the Takeover Regulations subsequent to PAI dated December 5, 2022 rather the Target Company only posted the PAI on Pakistan Stock Exchange (PSX) on December 7, 2022.

3. **AND WHEREAS**, the Commission vide letter dated December 14, 2022, sought an explanation from the Target Company on the aforesaid non-compliance with the Takeover Regulations. In response, the Target Company vide its letter dated December 20, 2022, submitted as under:

"Please note that we have already placed this information on PSX website through PUCARS. However, occurrence of delay in submitting the desired information to SECP under the regulation 5(1)(a) and 5(2) of the Takeover Regulations is deeply regretted."

4. **AND WHEREAS**, the stance taken by the Target Company is not found cogent, as in terms of regulations 5(1)(a) and 5(2) of the Takeover Regulations, the Target Company, upon notification of PAI, was explicitly required to make immediate disclosure to the SE and the Commission as per the information prescribed in Schedule V of the Takeover Regulations.

5. **AND WHEREAS**, in view of the above, the Target Company has *prima facie* contravened the requirements of regulations 5(1)(a) and 5(2) of the Takeover Regulations by not making immediate disclosure of PAI dated December 5, 2022, to the SE and the Commission containing the information as prescribed in Schedule V of the Takeover Regulations, which attracts the penal provisions of Section 126(3)(c) of the Securities Act, 2015 (**the Act**). The said provisions of law are reproduced as under:



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Regulation 5(1)(a) of the Takeover Regulations:

"Disclosure by the target company- (1) A target company shall immediately, in writing, inform the securities exchange and the Commission, -

(a) 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;"

Regulation 5(2) of the Takeover Regulations:

"(2) The disclosure required to be made under sub-regulation (1) shall contain the information as prescribed in Schedule V"

Section 126(3)(c) of the Act:

"Penalties for non-compliance.

(3) If any person

(c) contravenes or otherwise fails to comply with the provisions of this Part, the Commission may, if satisfied, after giving the person an opportunity of being heard, that the refusal, failure or contravention was willful, impose penalty which may extend to one hundred million rupees as may be specified in the order."

6. **NOW THEREFORE**, the Company through its Chief Executive Officer (CEO) is advised to show cause in writing within fourteen (14) days of the date of this Show Cause Notice (the SCN) as to why action should not be initiated against it under Section 126(3)(c) of the Act, for contravening the aforesaid provisions of law.

7. In case you intend to appear in person or through authorized representative to clarify your position, you may inform the undersigned in writing.

8. In the event you intend to be represented by a Representative, please ensure that the authorizing instrument i.e. power of attorney, in original, is submitted along with your reply to this SCN.

9. All the documents submitted by you in support of your reply must be duly authenticated i.e. signed and stamped as "Certified True Copy" by an officer authorized by the Board of Directors of the Company to do so.

10. Please note that you will be liable under the law for the concealment of any evidence or misstatement made in response to this SCN.

11. Please note that this SCN is being issued without prejudice to any other action which may be taken or warranted for the aforesaid or any other default under any provision of the law.

12. Receipt of this SCN may please be acknowledged through return fax at number 051-9100477 or email at adj.licensedentities@secp.gov.pk.



Shahzad Afzal
Director – Head of Department
Adjudication Department-I