



# SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

## Adjudication Department- I

### Adjudication Division

No. SECP/SCD/ADJ-I/30/2022

1441

October 10, 2024

| Sr. # | Name of Respondents                           | Address                               |
|-------|-----------------------------------------------|---------------------------------------|
| 1.    | SME Leasing Company Limited (through its CEO) | 56-F                                  |
| 2.    | Mr. Asghar Maqsood, CEO                       | Nazim-ud-Din Road                     |
| 3.    | Mr. Tahir Saeed Effendi, Director             | F-6/1, Blue Area                      |
| 4.    | Mr. Dilshad Ali Ahmad, Director               | Islamabad                             |
| 5.    | Mr. Javed Mahmood, Director                   | Office No. 304, 3 <sup>rd</sup> Floor |
| 6.    | Mr. Muhammad Mubeen Mufti, Director           | Business Arcade                       |
| 7.    | Ms. Darksha Sheikh Vohra, Director            | Shahra-e-Faisal                       |
| 8.    | Mr. Bilal Mohy Ud Din, Director               | Karachi                               |

**Subject: ORDER IN THE MATTER OF SHOW CAUSE NOTICE DATED JANUARY 12, 2024 UNDER SECTION 282J(2) & (3) OF THE COMPANIES ORDINANCE, 1984, FOR CONTRAVENTION OF REGULATION 4 OF THE NON-BANKING FINANCE COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

Dear Sirs,

Please find enclosed order in the subject matter for your record and necessary action.

Regards,

Rizwan Ul Haq  
Additional Joint Director

Enclosed: As above



# SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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*Before*

**Mujtaba Ahmad Lodhi, Commissioner Specialized Companies Division**

*In the matter of*

**SME Leasing Limited**

|                                                    |                                                                                       |
|----------------------------------------------------|---------------------------------------------------------------------------------------|
| Show Cause Notice No. & Issue Date:                | No. SECP/SCD/ADJ-I/30/2022-056<br>January 12, 2024                                    |
| Date of Hearing:                                   | March 07, 2024; April 03, 2024; and September 16, 2024                                |
| Present at the Hearing Representing the Respondent | Mr. Asghar Maqsood, CEO; and Mr. Mr. Muhammad Khurram Ali, Head of Legal & Compliance |

### **ORDER**

**UNDER SECTION 282 J (2) & (3) OF THE COMPANIES ORDINANCE, 1984 FOR  
CONTRAVENTION OF REGULATION 4 OF THE NON-BANKING FINANCE COMPANIES AND  
NOTIFIED ENTITIES REGULATIONS, 2008**

This Order shall dispose of the proceedings initiated by the Securities and Exchange Commission of Pakistan (**the Commission**) through the Show Cause Notice No. SECP/SCD/ADJ-I/30/2022-056 dated January 12, 2024 (**the SCN**) against SME Leasing Limited (**the Company and/ or Respondent No. 1**), Mr. Asghar Maqsood (**Respondent No. 2**) is the Chief Executive Officer (**CEO**) of Company/ Respondent No. 1, Mr. Tahir Saeed Effendi (**Respondent No. 3**), Mr. Dilshad Ali Ahmad (**Respondent No. 4**), Mr. Javed Mahmood (**Respondent No. 5**), Mr. Muhammad Mubeen Mufti (**Respondent No. 6**), Ms. Daraksha Sheikh Vohra (**Respondent No. 7**) and Mr. Bilal Mohy Ud Din (**Respondent No. 8**) being the Directors of the Company/ Respondent No. 1, hereinafter collectively referred to as the **Respondents**, issued under section 282 J (2) & (3) of the Companies Ordinance, 1984 (**the Ordinance**) for contravention of regulation 4 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (**the NBFC Regulations**).

2. The Company was incorporated under the Companies Ordinance, 1984 (**the Ordinance**) and licensed by the Commission to undertake leasing business as a Non-Banking Finance Company (NBFC) under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (**the NBFC Rules**). The Company is listed on the Pakistan Stock Exchange (**PSX**) and is a subsidiary of SME Bank Limited (**the Parent Company**) which owns 73.14% of its shares.



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3. Brief facts leading to this case are that:

- The Commission, while taking cognizance of the non-maintenance of Minimum Equity Requirement (MER) as per the requirement of regulation 4 of the NBFC Regulations, advised the Company through its Order dated February 14, 2022, to engage with Policy and Regulation Development Department - Specialized Companies Division (PRDD-SCD) to rectify its non-compliance of MER. However, the Company failed to provide any substantive business plan and equity injection commitments to comply with regulation 4 of the NBFC Regulations;
- The license renewal application of the Company was put on hold since April 29, 2022, until compliance with MER outlines in regulation 4 of the NBFC Regulations. Presently MER of the Company stands at deficit of Rs. 33 million against the requirement of Rs. 50 million.
- The Federal Government in a meeting of Federal Cabinet held on March 17, 2023, approved a winding down plan of the Parent Company of the Company and the Notification of the same was published in the newspaper on March 18, 2023. Further, the State Bank of Pakistan (SBP) vide its Circular dated May 10, 2023, declared the Parent Company as a failed institution w.e.f. March 27, 2023 and also prohibited it from accepting any further deposits;
- Finance Division vide its letter dated January 03, 2024, intimated to the Commission that the Finance Division called a meeting on January 02, 2024, regarding the Company along with the management of the Parent Company, wherein the Parent Company informed that they are not interested to revive the Company and inject additional funds in the Company;
- In view of the above, the Company, *prima-facie*, continuously remained non-compliant with the requirements of regulation 4 of the NBFC Regulations.

The afore-said alleged violation of the NBFC Regulations attracts penalty in terms of provisions of section 282 J (2) & (3) of the Ordinance, therefore, the SCN was issued to the Respondents, calling upon them to show cause in writing.

4. In response to the SCN, the Company vide its letter dated February 09, 2024, *inter-alia*, submitted as under:

*"Section 282(1)(2) of the Companies Ordinance, 1984 (the "Ordinance"), under which the SCN was served on the Company, states that in case of contravention of any provision of the Ordinance or rules or regulations made, or non-compliance of any directions given or order passed thereunder by the Commission, the Commission may cancel or suspend any one or more of the licenses and sub-section J(3) refers to the consequences of cancellation of the license.*

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We state that section 282(1)(2) of the Ordinance is titled "Penalty for failure, refusal to comply with, or contravention of any provision". In the present case, the Commission has already exercised its power under the said section and has imposed the applicable penalty i.e. the Company's license has been put on hold since April 29, 2022.

Notwithstanding the suspension of the Company's license, we assure the Commission that the Management of the Company, which is a subsidiary of SME Bank Ltd, (the "Bank") a Federal Government entity, is committed to strictly complying with all the laws and regulations and there is no "failure or refusal" of compliance with the provisions of the Ordinance.

In this connection the steps taken and the efforts made by the Management of the Company have been dealt with at the highest level of the Federal Government including the Cabinet Committee on Privatization and the State Bank of Pakistan. The various options contemplated by the Management include and are briefly mentioned hereunder:

1. **Amalgamation of the Company with and into the Bank** - The Management initiated steps towards the amalgamation of the Company with and into the Bank. This option was considered under the provisions of Section 48 of the Banking Companies Ordinance, 1962 ("BCO"), which allows a leasing company to be amalgamated with a banking company and for such purposes, State Bank of Pakistan has the power and authority to sanction the amalgamation. For this purpose, some banks were approached but the proposal did not materialize.
2. **Transfer of shares in the Company to the Government** - Another option thought of was that the Bank may transfer shares in the Company to the Federal Government or any entity nominated by the Federal Government. Since the Federal Government owns the Bank, it would simply be a transfer to the Federal Government or its nominee with no change of control of the Company.
3. **Buy-back its shares from the market by the Company** - It was considered that the Company may buy back the shares from the market. This option could not be exercised as the regulations for the Buy-Back of shares, in addition to various other formalities, require such buy-back to be undertaken from the profits/ retained earnings available with the Company whereas the Company has negative equity.
4. **The Bank to buy back the remaining shares (approximately 26.86%) of the Company from the Market** - Again, this was not possible because SBP had declared the Bank as a failed institution and prohibited it from taking any deposits. The Bank does not have funds for this purpose.
5. **Taking into account the shortfall in equity of the Company**, in its meeting held on November 02, 2023, the Board of the Company expressed its concern over the current scenario and wanted to know the update on the winding-up process. The Board also wanted to know, what plan/strategy the Bank formulated regarding the winding up or way forward for the Company.

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*The Board sought from the Bank plan/guidelines along with the timetable for the Company. Unfortunately, there has been no progress in the matter.*

6. **Winding up the Bank and the Company** - The proposal for winding up of the Bank and the Company simultaneously was well considered at various levels. Finally, the Federal Cabinet in its March 17, 2023 meeting approved a winding up plan for the Bank only. The State Bank of Pakistan also notified this matter via its BPRD circular dated May 10, 2023.
7. Last but not least, we assure you that the Management of the Company and the present and past directors, including Mr. Dilshad Ali Ahmed and Bilal Mohyuddin, whose names are mentioned in the SCN at serial No. 4 and 8 respectively as Respondents, who have resigned from the membership of the Board, all made sincere efforts to meet the shortfall in the equity of the Company. Still, all their efforts could not produce any positive results, as the subject matter involves various tiers of the Federal Government. It would be appreciated that capital - injection is not in the power of the Board /management of the Company but in the power and control of the shareholders, which in this case rests with the Finance Division of the Federal Government.

*You will kindly appreciate that that there are several obstacles faced by the Company or the Board in this respect and consequently its actions are limited on account of matters beyond its control. In such circumstances SECP is humbly requested to raise the above issues with the Bank and Finance Division, GOP for further action and clarification.*

*Given the explanations provided above, we request the SECP to consider the SCN to have been satisfactorily responded to and consequently, it is requested that the same may please be withdrawn. We assure you that the entire senior Management is devoted to strict compliance with all the applicable laws and regulations."*

5. Subsequently, the Respondent vide letter dated February 29, 2024 informed that the Parent Company through their letter dated February 21, 2024 shared Finance Division's direction dated February 19, 2024 to process liquidation of the Company at the time of liquidation of Parent Company.

6. In order to afford the Respondent an opportunity of personal representation, a hearing in the matter was fixed for March 07, 2024 which was adjourned. Later hearing was fixed for April 03, 2024, wherein Mr. Asghar Maqsood, CEO and Mr. Muhammad Khurram Ali, Head of Legal & Compliance appeared as representatives of the Respondents (**Representatives**) and *inter-alia* stated that:

- License renewal application of the Company is pending since 2022 owing to MER issue, rectification of which is beyond their control, owing to privatization process of

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their Parent Company. This fact was also acknowledged by the Commission vide its Order dated February 14, 2022 and accordingly concluded the said proceedings without imposing any monetary penalty to avoid any adverse inference on the privatization process of the Parent Company.

- Privatization process of the Parent Company, in 2022, prevented equity injections, and currently it is winding down its operations, thus the status quo persists.
- The Company has 5 branches and 21 employees, out of which 13 employees are on permanent payroll. Two board members, nominee of Parent Company and also the Respondents to the SCN, have resigned and the fit & proper applications of new proposed directors is kept in abeyance by the Commission owing to the MER issue of the Company.
- The Company is not entering into any new leasing agreement/new clientage (no new lease granted in the year 2023). Total portfolio of the Company is Rs. 263 million with active portfolio is around Rs.27 million pertaining to 30 clients which is expected to be recovered in around 18 months-time. Remaining portfolio is either Non-Performing Leases (NPL) or court cases/under litigation for which recovery efforts are being made and during last four years, around Rs.140 million from the NPL has been recovered, out of which 60% recovery was from the lease accounts for the period 2002 to 2005.
- The winding down process of the Parent Company was ordered in March 2023 and on seeking guidance about the SCN, the Finance Division advised processing liquidation of the Company at the time of liquidation of the Parent Company. License, therefore, may not be cancelled at this time as winding up of the Company and the Parent Company will be initiated simultaneously, in light of direction by Finance Division. Further cancellation of license will jeopardize their efforts for recovery of NPL. Moreover, as the Company is a listed on PSX, so winding up of the Company in anyway is not in the interest of the general public and with a licensed status, they may be able to sell the company, avoiding any harm to the interests of the general public.

7. During the hearing, the Representatives were pointed out that around 74% shares of the Company are held by GOP by way of having shareholding by the Parent Company in the Company, and that the UBO is not interested in the sale of the Company. In response the Representatives requested time to negotiate with the GOP for survival of the Company. The Representatives were advised to submit a write-up along with supporting documents pertaining to MER and projection on portfolio of the Company.

8. Subsequent to the hearing, the Company Secretary and Head of Legal & Compliance of the Company, vide letter dated May 08, 2024 submitted that:



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*"In the wake of the hearing dated April 3, 2024 in pursuance of SCN received vide No. SECP/SCD/Adj-1/30/2022-056 dated January 12, 2024 under Section 282 J(2) & (3) Of The Companies Ordinance, 1984 For Contravention of Regulation 4 of The Non-Banking Finance Companies And Notified Entities Regulations, 2008, we take this opportunity to communicate the company's survival strategy, understanding the measures we have implemented will shed light on how the Company will continue to operate despite the auditors' adverse opinion on the financials of the Company.*

*We assure you that the Management of the Company and the present and past directors, were very much aware of the shortfall in equity and have raised the same issue multiple times with CEO SME Bank (who was also SMEL Director and SME Bank Board Chairman) who shared that major shareholder (Govt. of Pakistan/MoF) is not interested in continuing with the company as well as SME Bank and is in the process of privatization of the Bank. He further shared that, as per MoF, the new owner of SME Bank shall decide the fate of SME Leasing. The Board of SMEL did what is required in such scenario and successfully kept the company afloat for privatization.*

*It would be appreciated that capital injection is not in the power of the Board /management of the Company but in the power and control of the shareholders, which in this case rests with the Finance Division of the Federal Government by holding 73.4% shares in this Company. However, the Finance Division initially actively pursued the privatization of the Bank to avoid equity injection in the Bank/SMEL and then initiated the winding down of the Bank without any communicated plan for SMEL (through SME Bank) that has placed the whole Board directionless viz-a-viz the direction of SMEL. It is pertinent to mention that Finance Division did address the issue of portfolio of SME Bank and is actively pursuing its handing over to NBP but was silent about SMEL*

*We have demonstrated resistance and determination in our endeavors.*

*During the period from Jul-2020 to Mar-2024 (45 Months) chronic NPLs Cases were aggressively pursued, out of total recoveries of Rs. 260.69 million, Rs.144.190 million was recovered from chronic NPLs due to which NPL reduced to Rs.202.175 million from Rs.282.60 million as at June 30, 2020.*

*In this specific period, we disbursed 17 leases amounting to Rs. 54.381 million, each having a default rate of zero percent. Since long no new business had been added in our portfolio. For utilization of available fund generated from recovery it was necessary that new business is brought in. In order to address this situation, to balance the portfolio and continue to operate as a going concern it was needed to add good quality portfolio from recovered amount and convert them into earning assets. Despite limited financial means, the Company had also extended financial assistance to its old customers, involving minimum risk and enjoyed good*





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*credit history with us.*

*The Company is also striving hard to exercise maximum austerity measures by keeping strict control over expenses. Despite unforeseen financial challenges, we are making efforts to meet our payroll and other administrative expenses too. We have no any other source of funds and utilize only our recovery to manage our expenses.*

*Most of the employees of SME Leasing Limited have left the company after announcement of winding down of SME Bank and staff strength has reduced to trivial. No replacement is being made and additional assignments have been given to existing employees. 2*

*In respect of branch operations, the Company operates with four branches and a head office. We have implemented certain measures, such as the closure of Sialkot branch and its subsequent merger with Lahore branch and has been shifted to comparatively economical space. Islamabad branch has also been closed and arrangement has been made with SME Bank Ltd. A sum of two hundred thousand rupees has been saved through this process. Further, as per the directives of the Parent company, we are also considering the other measures of cost cutting.*

*The majority of our financing and leases have either reached maturity or are in default, with only a small number of regular cases. Additionally, the company has refrained from entering into any new lease agreements due to privatization of SME Bank Ltd. Our total portfolio is Rs. 259.92 million out of which Rs.202.18 million is non-performing portfolio as at 31 March 2024. Average recovery per month from our regular portfolio is Rs.1.8 million. Majority of our regular portfolio would mature in the year 2025.*

*Overall recovery during the year 2023 remained Rs.45.62 million. During the current year an amount of Rs. 7.76 million recovered till 31 March 2024. Out of which Rs. 2.426 million were recovered from regular portfolio and Rs. 5.33 million from NPL.*

## **LITIGATED CASES WITH MORTGAGED PROPERTIES**

*From our litigated cases, handsome recovery is expected due to execution stage of the most court cases. We are expecting recoveries around Rs. 125 million from 28 Court cases within one year i.e. by June 2025 against 172.44 million decree amount against mortgaged properties having Forced Sale Value (FSV) of Rs. 355 million.*

*As per Management Accounts of March 31, 2024 negative equity is Rs. 69.924 million. In contrast if we consider the Forced Sale Value of the Mortgaged properties of the decretal cases, amounting to Rs. 355 million. By realizing these values, as per our attached projection as of June 2025 we hope that going forward we can smoothly manage winding down process of SME Leasing Limited.*





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We are appending the list of cases which are already ordered for auctions or awaiting auctions by Banking Courts across the Country along with the Decree sheets/ (order sheet) and the related Valuations are report at Annexures "A" "B" and "C" respectively, duly certified by our head internal audit. Further, we have nine regular clients we expect a repayment of Rs. 12 million in the next 12 months.

*In view of the above, we would request you to kindly review the decision and grant us a timeline of one year; i.e. June 2025 in order to smoothly realize the collections of Regular clients and the Decreed Amount. This shall enable MoF/SME Bank Ltd. (Parent company) (new president appointed specially to spearhead the winding down yet to join) /SME Leasing Ltd. to determine the way forward and initiate closing/transfer in a controlled manner in light of instructions of Ministry of Finance."*

9. Later the Parent Company vide letter dated September 02, 2024 informed that Finance Division, vide letter dated August 27, 2024, has advised it to pursue liquidation of the Company with the Commission at the earliest and requested the Commission to accordingly proceeds in the matter so that liquidation of the Company is achieved in an amicable manner.

10. In view of the aforesaid, another opportunity of personal representation was provided by fixing hearing in the matter on September 16, 2024 wherein Mr. Asghar Maqsood, CEO appeared on behalf of Respondents as their authorized representatives and submitted that there has been no equity injection by the Parent Company and the Company has no more submissions to make after the decision by the Finance Division and the Commission may proceed in accordance with the law. The applicable legal provisions regarding cancellation of license were read out to which the CEO had no objection. The CEO was advised to submit, in writing, the stance of the Company on letters by the Finance Division and the Parent Company.

11. Subsequent to the hearing, the CEO, vide letter dated September 18, 2024, *inter-alia*, submitted that:

*"1- Keeping in view the ongoing winding down process of SME Bank, the Bank being parent, the Company is currently not in position to inject any further equity financing in SME Leasing. Moreover, Finance Division vide its letter # F. No.3(27) IF-III/2005-264 dated August 27, 2024 (already shared) has also reiterated that liquidation of SME Leasing must be persuaded with SECP. Thus, SME Leasing is unable to meet Minimum Equity Requirements of SECP at all.*

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2- *Considering the above financial limitations, & External Auditors opinion, Board of SME Leasing has agreed to the fact that SME Leasing is declared as Non-Going Concern. Thus, financial accounts of SME Leasing are being prepared & approved on the basis of Non-Going Concern.*

3- *We also share the directives of SME Bank being the Parent Company for SME Leasing as contained in its letter dated 2 Sep 2024, asking for winding down of SME Leasing.*

*We therefore have no further submission for any way forward except to beg that SECP may proceed further in accordance with the Law."*

12. The relevant legal provisions prescribed under the NBFC Regulations and the Ordinance state that:

**"NBFC Regulations:**

4. An NBFC licensed by the Commission to undertake any form of business mentioned in Regulation 3 shall, at all the times, meet the minimum equity requirement or any other requirement in lieu of minimum equity requirement in respect of each form of business as provided in Schedule I.

**The Ordinance:**

**282 J: Penalty for failure, refusal to comply with, or contravention of any provision of this Part.-** (2) Without prejudice to the provisions of sub-section (1), in case of contravention of any provision of this Ordinance or rules or regulations made or non-compliance of any direction given or order passed thereunder by the Commission, the Commission may cancel or suspend any one or more of the licenses in respect of various forms of business of the NBFC or registration granted to any notified entity, after issuing a show cause notice and giving such NBFC or notified entity as the case may be, an opportunity of being heard or pass any other order which may be deemed appropriate by the Commission.

(3) Upon cancellation of all the licenses or registrations the functions and carrying on the business of NBFC or the notified entity shall cease and notwithstanding anything contained in section 305 or sub-clause (c) of the proviso to section 309, the Commission may move the Court for winding up of the NBFC or the notified entity ....."

13. I have examined the facts of the case in light of the applicable provisions of the law and have given due consideration to the written as well as verbal submissions and

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arguments of the Respondents and their Representatives. I have noted the following pertinent aspects in the matter at hand:

(i) **Whether the Company Compliant with MER:**

No, the Company is not compliant with the MER requirements against the requirement to maintain MER of Rs. 50 million at all times in terms of requirements prescribed under regulation 4 of the NBFC Regulations. It was revealed from the record of the Company that the equity reported by the Company is below the minimum requirement of Rs. 50 million since September 2020 and has gradually deteriorated to the level of negative seventy (-70) million as on March 01, 2024. Moreover the Company, through Order dated February 14, 2022, was advised to engage with the policy department of the Commission for rectification of the said non-compliance however the Company neither submitted any substantive business plan and equity injection commitments for consideration of the Commission till now. Further no such plan except for realization of NPL was submitted during the instant proceedings.

(ii) **Whether the Solutions Proposed by the Respondents Relevant:**

No, the Respondents themselves acknowledged that despite their best efforts, all the proposed possible solutions for increasing the equity could not materialize/ produce any positive results due to the several obstacles in the process and admitted that rectification of MER issue is beyond their control, owing to privatization process of the Parent Company. Further the recovery of NPL and outcome of decree cases is neither predictable nor certain as past performance does not guarantee future results and the Company is also not entering into new leases. Thus none of the proposed solutions, relevant in the instant matter.

(iii) **Whether the Parent Company and/ or Finance Division willing to Inject Equity/ Revive the Company:**

No, neither the Parent Company nor the Finance Division willing to inject equity into the Company to ensure its compliance with MER and the Finance Division has advised the Parent Company to pursue liquidation of the Company with the Commission and accordingly the Parent Company has requested the Commission to proceed with liquidation of the Company.

(iv) **Whether regulation 4 of the NBFC Regulations provides any exception for non-compliance**

No, the requirements of rule 7(3) of the NBFC Rules and regulations 4 and 35A (2) (i) of the NBFC Regulations are explicit and without any exception require all NBFCs

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to ensure compliance with MER prescribed by the Commission from time to time, at all times.

(v) **Whether any option available to the Respondents in light of decision by the Finance Division and the Parent Company:**

No, the Respondents has no way forward after the decision to windup the Company and accordingly the Board of the Company has agreed to declare the Company as a Non-Going Concern and to prepare and approve its financial statements on the same basis. Further the Respondents have also requested the Commission to proceed in accordance with the law.

(vi) **Importance of maintaining MER for an NBFC**

MER ensures that an NBFC has sufficient cushion of equity capital to absorb losses and maintain solvency during adverse financial conditions or unexpected events and also acts as a buffer against credit, market and operational risks inherent in lending businesses. Maintenance of MER enhances investor confidence, attract capital inflows, and support the NBFC's growth and business expansion plans. This stability is essential to safeguard the interests of depositors, investors, and other stakeholders. Moreover maintaining MER is not just a regulatory obligation but a cornerstone of financial prudence and stability for lending NBFCs and ensures resilience against financial shocks, supports sustainable growth, and fosters confidence among stakeholders in the NBFC's ability to operate safely and profitably in the financial market.

14. It is pertinent to point out that Finance Division vide letter dated August 27, 2024 has advised the Parent Company to pursue the liquidation of the Company with the Commission and accordingly the Parent Company vide letter dated September 02, 2024 has requested the Commission to proceed further in a manner that winding up of the Company is achieved in an amicable manner. Furthermore the Representative during the hearing held on September 16, 2024 and through letter dated September 18, 2024 informed that owing to winding down of the Parent Company, the Company is not in a position to inject any further equity and begged the Commission to proceed in accordance with the provisions of Law.

15. In view of the above-stated facts, circumstances, and submissions made by the Respondents and their Authorized Representatives, it has been established that the Respondents have failed to comply with the MER since September 2020 and thus have violated the requirements of regulations 4 of the NBFC Regulations which attracts the imposition of penalty under section 282J of the Ordinance. In view thereof, I, in terms of powers conferred under section 282J (2) of the Ordinance, hereby, order to cancel the license

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granted to the Company to undertake leasing business in terms of rule 5(6) of the NBFC Rules with immediate effect.

16. This Order is issued without prejudice to any other action that the Commission may initiate against the Company and/or its CEO in accordance with the law on matters subsequently investigated otherwise brought to the knowledge of the Commission.

(Mujtaba Ahmad Lodhi)  
Commissioner  
Specialized Companies Division

**Announced:**

October , 2024  
Islamabad.

**Distribution:**

1. Divisional Head - Supervision Division
2. Divisional Head - Licensing and Registration Division
3. Head of Department - Licensed Entities Department, Supervision Division