

EDP24 the business



Lotus owner remains tight lipped about reasons for Bahar suspension

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Lotus boss Dany Bahar's suspension period is due to end tomorrow with the company still remaining tight lipped about the reasons for the investigation into his running of the company by its new Malaysian owners and its outcome.

Mr Bahar was temporarily removed from his £1.2m post for two weeks on May 25 following a meeting with the bosses of DRB-Hicom in Malaysia, and a complaint into his conduct made by the conglomerate.

Few details of the reason behind his suspension have been revealed; however DRB has been running the rule over Lotus after initiating an operations and legal audit on "Lotus group of companies" in March.

Mr Bahar's running of the company is said to have raised eyebrows among DRB officials, though friends of the chief executive suspect the investigation could be part of a smear campaign against him.

But it is believed there is a dispute around the terms of Mr Bahar's contract with Group Lotus and the freedom he had with company expenditure.

Reports suggest that the investigations centre around expenditure on a rented home and using company money to travel excessively by helicopter and on business jets, which the Lotus boss is said to insist in his defence that he had permission to do, and was the way businesses was done in the industry particularly in the world of Formula One motor racing.

Investigators also suspect luxury sports cars had been lent to Mr Bahar's friends or given away by the suspended chief executive, though Mr Bahar, who has yet to speak publicly about his suspension, is expected to argue that he acted at all times in accordance with his authority and in the best interests of the company and its shareholders and strongly denies any suggestion of wrongdoing.

The firm, which bought the car maker's parent company Proton in January has re-iterated it was not selling Lotus.

DRB boss Dato Sri Haji Mohd Khamil, who recently visited Lotus's Hethel plant and also met business secretary Vince Cable, has stressed the value of the Norfolk car firm to the conglomerate.

But DRB said in a statement last week its review had raised the issue of £270m of loans to support Lotus, which had been guaranteed by Proton at the end of 2010, and its review had become "especially pertinent" as a result.

The plan to double annual production to 6,000 cars by 2015, was expected to create more than 1,000 jobs and see five new models roll off the production line in Hethel.

It has also attracted more than £10m of support from the government's regional growth fund, although the offer has been put on hold until Lotus' future is clarified.

DRB Hicom's head of investor relations Khalid Yusof and head of vehicle manufacturing projects Aslam Farikullah have been drafted in to run the day-to-day business of Lotus in Mr Bahar's absence.

They are working with Lukman Ibrahim and Rusman Zaihan, also from the parent companies.

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