

# **PRESS RELEASE**

## **SEC Appoints Inspector to Conduct Investigation into the Affairs of Amin Spinning Mills Limited**

**ISLAMABAD – 17 March 2004:** The Securities and Exchange Commission of Pakistan (SEC) has appointed an inspector to conduct investigation into the affairs of M/S Amin Spinning Mills Limited, a listed public limited company. The inspector will, among other matters, identify the causes for consistent heavy losses since listing of the company, diversion of funds to unauthorized objects and non-maintenance of proper books of accounts as required under the Companies Ordinance, 1984.

The SEC noticed that the performance of the company was continuously deteriorating, apparently due to mismanagement. The auditors of the company qualified their latest report to the members on the financial statements of the company that they have not been provided books of accounts and underlying records at the time of their audit. The auditors further pointed out that directors of the company were involved in disputes and the management had filed an FIR against the previous management alleging that the major parts of the plant and machinery, raw material and finished goods were taken away by them, without any lawful authority, causing colossal losses to the company and its shareholders.

The terms of reference given to the inspector include the identification of the names of persons responsible for the irregularities, mismanagement, and violations of the statutory provisions. The inspector shall submit his report to the SEC within sixty days of the date of the order.