



Securities and Exchange Commission of Pakistan

12TH FLOOR, NIC BUILDING, 63-JINNAH AVENUE, BLUE AREA, ISLAMABAD

PRESS RELEASE ***FOR IMMEDIATE RELEASE***

SECP APPOINTS ADMINISTRATOR TO MANAGE TRUST MODARABA

ISLAMABAD - SEPTEMBER 03, 2007: In order to safeguard the interest of the certificate holders of Trust Modaraba, the Registrar Modarabas, Securities and Exchange Commission of Pakistan (SECP), under sections 19 and 20 of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 has cancelled the registration of Trust Management Services (Pvt.) Limited (TMSL) and removed it as the management company of the Modaraba.

Mr. Khawaja Adeel Aslam, has been appointed the Administrator to take over and manage Trust Modaraba in place of TMSL. The Administrator will exercise the powers of the Chief Executive and the Board of Directors.

The action was necessitated on the basis of monitoring reports and market information which revealed misappropriation of public funds and gross violation of the Modaraba Ordinance, Rules and Prudential Regulations, by TMSL. In order to determine the factual position, the Registrar (Modarabas) ordered inquiries into the affairs of Trust Modaraba by the internal inspectors of SECP. During the course of investigation, several opportunities were afforded to the former management to rectify the defaults and recover the misappropriated funds. However, despite censure and reprimand the former management failed to satisfy the Registrar (Modarabas) in respect of the observations/charges communicated to them. As a consequence, the Registrar (Modarabas) has, penalized the concerned directors for violations of the law and has appointed the Administrator to manage the affairs.

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