

**February 07, 2000 SECP directs the ex-Directors of M/s Asim Textile Mills Limited to deposit an amount of Rs. 27.805 million on account of loss suffered by the Company due to their fraudulent deal in regard to the sale of land to the company.**

Monitoring & Enforcement Division of the SECP has served a notice to the Ex-directors of Asim Textile Mills Limited under Section 472 read with Section 493 of the Companies Ordinance, 1984, directing them to deposit into Company's account, an amount of Rs. 27.805 million from their own resources within 30 days of the date of Order. This is the amount of loss suffered by the company due to purchase of associated company's unremunerate and idle land. The case in brief is that the sponsor's directors of the Asim Textile Mills Limited which raised funds amounting to Rs. 40 million through public subscription in the year 1991 for meeting working capital requirements and for completion of its project advanced nearly the total amount so raised (Rs. 80 million including sponsors contribution) to a private associated undertaking namely Aizad Beverages (Pvt) Limited which was totally held by them and then squared up the advance by purchasing idle land from the said associated undertaking at an inflated price. The management changed hands in April 94 and the new management sold the said land to the creditors bank namely Faysal Bank Limited at a price of Rs. 40 million and booked a loss of Rs. 27.805 million on its disposal even after passage of 5 years. The investigations revealed that the buyers and sellers of the land were the same parties i.e., the ex-directors of Asim Textile Mills Limited, which through this deal caused a loss of Rs. 27.805 million to the company.