

January 31, 2001 SEC orders investigation in the case of M/s Umer Fabrics Limited under section 265 of the Companies Ordinance, 1984.

On a complaint filed by KSE, the SECP has ordered investigation into the transaction involving purchase of shares of Muslim Commercial Bank Limited by M/s. Umer Fabrics Limited. Investigation has been ordered under section 265 of the Companies Ordinance, 1984. The Karachi Stock Exchange had requested the Commission to look into the investment of Rs. 120.945 million by M/s Umer Fabrics Limited in the shares of Muslim Commercial Bank Limited during the period ended on September 30, 1998. The market value of the said investment at the end of the financial year ended on September 30, 1998 had decreased to Rs. 58.440 million reflecting an erosion of about 52% in the value of the said investment. Earlier, this company had made an investment of Rs. 15.156 million in M/s Genertech Pakistan Limited and booked a loss of Rs. 4.305 million while disposing off that investment. The Inspector appointed will examine all the aspects of this transaction including its transparency and prudence and will furnish his report within 60 days from the date of this order.