

SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
State Life Building, 7-Blue Area,
Islamabad

NO. 265(221)ISS/CL/98

Dated, 9th June, 1999

ORDER UNDER SECTION 472 OF THE COMPANIES ORDINANCE, 1984
M/S. FIDELITY INVESTMENT BANK LIMITED

It was noticed from the financial statements for the year ended 30th June, 1998 of the company that the company made equity investment of Rs. 5 million in the associated company namely M/s. Security General Insurance Company Limited in addition to the equity investment of Rs. 5 million already made in the said associated company. This matter was taken up during a hearing under section 265 of the Companies Ordinance, 1984 held on 5th April, 1999 with the representatives of the company attending the hearing who could not justify the investment and failed to satisfy the Commission that this investment was in the interest of the shareholders of Fidelity Investment Bank Limited. In the circumstances a notice under section 472 was issued on 5th April, 1999 directing the company to disinvest the whole investment of Rs. 10 million in the equity of associated company and recover the said amount alongwith a reasonable return within a period of 60 days of the notice. The company vide its letter dated 5th June, 1999 has now requested to extend the period for further 90 days for disinvestment of shares. The request of the company deserves sympathetic consideration as this being a material transaction carriers financial implications. Accordingly further time of 90 days is allowed with the directions to make he disinvestment at a price ensuring a reasonable return for the period of investment.

(M. Zafar - ul - Haq Hijazi)
Commissioner (Enforcement)

Place: Islamabad
Dated: 9th June, 1999