

January 07, 2000 First Al-Noor Modaraba reports to SECP that directions of Registrar Modaraba for reversing transaction of purchase of 6 lacks shares of M/s Shahmurad Sugar Mills Ltd from family members of directors of modaraba management company have been complied.

The Management of First Al-Noor Modaraba has reported to the Commission that directions of Registrar Modarabas for reversing transaction of purchase of 6 lacks shares of M/s. Shahmurad Sugar Mills Ltd from family members of directors of modaraba management company have been complied.

The back-ground of the case is that price of shares of Shahmurad Sugar Mills Ltd an associated undertaking was manipulated raising it from Rs. 13/- to Rs. 19.00 within 10 days in January, 1998 (with negligible shares actually traded) and the modaraba purchased six lacks shares at the price of Rs. 18.25 from family members of directors. Information about this transaction was provided to Registrar Modaraba by Karachi Stock Exchange. Registrar Modaraba had held that the subject transactions were not an arm's length and it accordingly issued directions to undo the transactions.