

June 19, 2000 SECP directs the directors of M/s Nazir Cotton Mills Limited, under section 472 of the Companies Ordinance, 1984, to bear the loss on sale of shares of Silver Fibre Spinning Mills Limited.

The Securities and Exchange Commission of Pakistan has issued a direction under section 472 of the Companies Ordinance, 1984, to M/s Nazir Cotton Mills Limited, directing the directors of the company either to bear the loss on sale of shares of Silver Fibre Spinning Mills Limited with mark-up not less than the company's own borrowing cost or to take back the shares of the said company ensuring control of M/s Nazir Cotton Mills Limited as a holding company. M/s Nazir Cotton Mills Limited had sold 3.6 million shares in Silver Fibre Spinning Mills Limited to a company namely Sargodha Jute Mills Limited at a loss of Rs. 21.6 million. An inquiry by the Commission revealed that Sargodha Jute Mills Limited is a company owned and controlled by the same family and prima facie, the transaction was to divide assets among the family members disregarding the status of Nazir Cotton Mills Limited as a public limited listed company and legal position in this regard