

October 27, 2000 SECP brings back Rupees 9.6 million into the company's account of M/s Ghani Textile Mills Limited.

M/s. Ghani Textile Mills Ltd. made an investment by purchasing 800,000 shares of its associated company namely Ghani Glass Ltd. at Rs.10 per share in the year 1994. The company held these shares upto 28.6.1999 and during this period it did not receive any benefit on these shares on account of dividend etc. On 28.6.99, the company sold these shares to its directors @ Rs.6/- per share. The performance of Ghani Glass improved considerably in the year 1999 when its EPS came to Rs.8.67 per share from Rs.0.59 per share last year. It was observed by SECP that shares were sold at a time when there was a turn around in Ghani Glass Mills Ltd. The case was taken up with the Chief Executive and directors of the company who admitted that they knew about turn around of the investee company namely Ghani Glass Mills Ltd. at the time of transaction but stated that their intention was not to cause loss to the company and transaction was made innocently and in good faith without realizing its consequences. They offered to deposit into the company's account the difference between the purchase price of Rs.6/- and the price prevailing on 17 October, 2000 i.e. Rs.18 per share and requested that the Commission may condone their un-intentional default. The offer made by the Chief Executive and directors appeared to be reasonable/ in interest of the shareholders of the Ghani Textile Mills Ltd., which Commission has accepted. The directors have been allowed a period of 90 days to deposit the total differential amount of Rs.9600000/- into account of the company