

September 28, 2000 SECP initiates proceedings against M/s Karim Silk Mills Ltd., under section 305 of the Companies Ordinance, 1984, and directs the company not to sell its assets.

M/s Karim Silk Mills Ltd. intended to dispose off the assets of the company by invoking the provisions of section 196(3) of the Companies Ordinance, 1984. The Enforcement Division of SECP took up the matter with the company and directed them not to sell their assets as there being no prospects for the revival of the company, the matter falls under the provisions of Section 305 of the Companies Ordinance, 1984. Further proceeding under Section 265 of the Companies Ordinance, 1984, were initiated. In this connection a hearing was held on September 25, 2000 in which the sponsors agreed to buy back the shares of the minority shareholders at Rs. 16 per share previously being traded on the Stock Exchange around Rs. 3/- per share.