

PRESS RELEASE

Penalties Imposed for Failure to Hold Annual General Meeting

ISLAMABAD- 2 April 2004: The Securities and Exchange Commission of Pakistan (SEC) has imposed penalties amounting to Rs. 55,000 on the chief executives of three listed companies for failure to hold Annual General Meetings (AGMs) within the time frame laid down in the Companies Ordinance, 1984.

The SEC has been exercising strict vigilance to ensure that the listed companies conform to the requirements of the Companies Ordinance. It is mandatory for companies to hold their AGMs and lay therein the annual accounts once at least in every calendar year, within a period of four months following the close of the financial year.

The SEC found that the following companies had contravened the requirements of the Companies Ordinance and were unable to offer any justifiable reason for the contravention. Accordingly, penalties were imposed on the chief executives of these companies:

- M/s. Valika Art Fabrics Limited failed to hold AGM and present therein annual accounts for the year ended 30 June 2003. A fine of Rs. 20,000 has been imposed on the Chief Executive of the company for the aforesaid default.
- M/s. Karim Cotton Mills Limited failed to hold AGMs for the years 2001 and 2002 and present therein annual accounts for the years ended 30 September 2001 and 30 September 2002. A fine of Rs. 25,000 has been imposed on the Chief Executive of the company for the aforesaid default.
- M/s. Johnson & Philips (Pakistan) Limited failed to hold AGM and present therein annual accounts for the year ended 30 June 2002. A fine of Rs. 10,000 has been imposed on the Chief Executive of the company for the aforesaid default.