

## Press Release

### **SECP Penalizes Four Companies for Violation of Legal Provisions in November 2005**

**Islamabad – December 24, 2005:** The Securities and Exchange Commission of Pakistan (SEC) penalized four companies for violation of different legal provisions during November 2005.

Out of these, three companies including Ahmed Spinning Mills Limited, Khairpur Sugar Mills Limited and Saleem Sugar Mills Limited were penalized for not filing quarterly accounts of the first two quarters of 2005, while a company Pak Elektron Limited was penalized for non-compliance with the SECP's directive to recover unauthorized investments along with mark up from its associated undertakings. Fine aggregating Rs. 545,000 was imposed on chief executives and directors of these companies.

The SECP stopped Chenab Textile Mills Limited from passing resolution including in agenda for its extraordinary general meeting regarding sale of fixed assets of the company comprising of freehold land, plant & machinery, as the company had not disclosed material information in the statement of material facts as required under the law. The passing of resolution item would have been harmful to the interest of shareholders.

The SECP works to ensure compliance and transparent functioning in corporate entities to promote investors confidence.